

# **IDAHO FINANCIAL ACCOUNTING REPORTING MANAGEMENT SYSTEM (IFARMS)**

**A SYSTEM FOR PUBLIC SCHOOL BUDGETING, ACCOUNTING & REPORTING**

**Mr. Tom Luna  
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION  
Boise, Idaho**

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# **IDAHO FINANCIAL ACCOUNTING REPORTING MANAGEMENT SYSTEM**

## **INTRODUCTION**

The Idaho Financial Accounting Reporting Management System (**IFARMS**) is the result of work conducted by the Idaho Department of Education in cooperation with school personnel of the state. This IFARMS manual provides the basis for complete financial and cost accounting, for the development of program budgets, and for the preparation of comprehensive periodic financial reports. The uniformity of the system will enable small or large school districts to fulfill state requirements and give each district the flexibility to obtain program and account detail to meet their management needs. The accounting system and the coding structure can be used by either manual or automated data processing systems.

The Idaho Financial Accounting Reporting and Management System is designed to:

- Provide for statewide uniformity in budgeting, accounting and reporting.
- Provide a system for each school district to demonstrate the prudent use of its resources.
- Provide for more detailed accountability of educational programs.
- Provide a means of compliance with state and national standards and with principles of governmental accounting.

Portions of this manual are based on Financial Accounting for Local and State School Systems, (1993), and Governmental Accounting, Auditing, and Financial Reporting Standards, also known as the Blue Book (2001).

The IFARMS manual has been updated for GASB Statement 34 “Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments.” In order to be in compliance with Generally Accepted Accounting Principles (GAAP), school districts will be required to implement GASB-Statement 34. Statement 34 establishes new requirements for the annual financial reports of state and local governments. Statement 34 was developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make decisions.

The Statement was phased in over the course of three years depending upon a local unit of government’s 1998-99 total revenues (excluding other financing sources). The first phase governments, those with \$100 million or more in total revenues, began implementation for the fiscal year ending June 30, 2002; phase two governments, those with total revenues between \$10 million and \$100 million, began implementation for the fiscal year ending June 30, 2003; and phase three governments, those with less than \$10 million in total revenues, began implementation for the fiscal year ending June 30, 2004.

It is strongly suggested that each school district obtain a copy of the following GASB publications:

GASB-34 – Basic Financial Statements and Management’s Discussion and Analysis -  
for State and Local Governments

GASB’s Guide to Implementation of GASB Statement 34 on Basic Financial  
Statements and Management’s Discussion and Analysis for State and Local  
Governments

GASB’s – What You Should Know About Your School District’s Finances – A  
Guide to Financial Statements

The publications can be obtained as follows:

GASB  
401 Merritt 7  
P. O. Box 5116  
Norwalk, CT 06856-5116  
Phone Number 1-800-748-0659  
Website: [www.gasb.org](http://www.gasb.org)

In addition, the Association of School Business Officials has prepared a publication  
titled “GASB Statement No. 34 Implementation Recommendations for School Districts”.  
This guide may be obtained as follows:

ASBO International  
11401 North Shore Drive  
Reston, VA 20190-4200  
Phone: 703-478-0405  
Website: [www.asbointl.org](http://www.asbointl.org)  
ISBN No.: 0-910170-81-9

## **LISTING OF GASB-34 CHANGES**

### **Budgeting (GASB 34 Paragraph's 130 and 131)**

- Budget to Actual Comparison may be and is recommended to be moved to Supplemental Information.
- Budget to Actual Comparison must include both the original and final Budget
- Budget to Actual Comparison Statement must include a reconciliation to GAAP amounts if the budget is not prepared on a GAAP basis.

### **Entity-wide statements (GASB 34 Paragraph's 12-17, 74, 77, 85, and 90)**

- Entity-wide statements on a full accrual basis are now required.
- Separate columns for governmental funds and proprietary funds must be produced. (GASB 34 Paragraph 74)
- It is recommended school districts eliminate proprietary funds and for those school districts that must have proprietary funds, that they be rolled into governmental funds for the entity wide statements as allowed by GASB.
- Must have reconciliation to the fund statements. (GASB 34 – Paragraph's 77, 85 and 90)

### **Statement of Net Assets (GASB 34 Paragraph's 30 - 37)**

Assets and Liabilities can be either on a liquidity/maturity format or a classified format. It is recommended that the classified format be adopted.

Net Assets must be divided into net assets invested in capital assets, net of related debt, restricted net assets, and unrestricted net assets.

### **Statement of Activities (GASB 34 Paragraph's 38 - 62)**

- Expenses are to be shown by function/program
- Indirect expenses may or may not be allocated. The Department recommends indirect costs not be allocated.
- Depreciation expense must be allocated for these assets specifically related to a function or program. The remaining depreciation can be allocated or shown separately.
- Interest expense is always shown separate
- Revenues are split into program revenues and general revenues
  - Program revenues – derived directly from the program itself or from parties outside the reporting government's taxpayers or citizens These revenues reduce the net cost of the function to be financed from the government's expenses/revenues.
  - General revenues – all other revenues, including all taxes, even those levied for a specific purpose.

#### Capital Assets (GASB 34 Paragraph's 18-29)

- Account Groups for both fixed assets and long term liabilities have been eliminated
- Fixed assets must be inventoried and depreciated
- Issues include – capitalization amount
  - valuation
  - life of assets
  - expense or capitalization of repairs
- Long Term Liabilities must be accounted for and included in district wide statements (GASB 34 Paragraph's 81 and 82)
- Infrastructure - it is recommended that school districts have no infrastructures.

#### Funds (GASB 34 Paragraph's 63-74)

- Government funds now include permanent funds (previously non-expendable/endowment) (Expendable funds are now included as special revenue funds)
- Fiduciary funds now include private purpose trust funds – all other trust arrangements under which principal and income benefit individuals, private organizations or other governments.

#### Major Funds (GASB 34 Paragraph's 75-76)

- The focus is on major funds. Major funds include the general fund and any fund whose total assets, liabilities, revenues or expenditures/expenses of that individual government or enterprise fund are at least 10% of the corresponding total for all funds of that category and total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund is 5% of the corresponding fund for all governmental and enterprise funds combined. In addition, major funds include any fund so designated by management.

#### Management's Discussion and Analysis (MD & A) (GASB 34 Paragraph's 8-12)

- MD & A is required supplemental information
- Information to be included is outlined in the requirement and is not to include additional data

## BUDGETING

The annual School Budget is a plan of financial operations developed for the purpose of achieving the goals and objectives of the school district or charter school. The school budget is a statement of the estimated revenues and the proposed expenditures developed for operating the various funds and school programs during the fiscal year. The budget is to be prepared, approved, and filed in the format prescribed by the Idaho State Superintendent of Public Instruction.

The board of trustees is responsible for the financing of the educational programs of the school district. This responsibility is derived from Title 33, Idaho Code. The board of trustees employs a superintendent of schools to serve as executive officer for the board with such powers and duties as directed by local school policy. The duties of the superintendent will include administrative and supervisory responsibility for the school budget.

Other school personnel, such as the clerk of the board, the chief fiscal officer, the school business manager, and the school accountant, may be delegated tasks to assist the superintendent of schools and the board of trustees to meet their responsibility for budget preparation. Staff members and individuals from the community may also be called upon to contribute during the planning process.

General budgeting principles, which contribute to understanding the tasks to be accomplished, include:

Budgeting is a means to an end. A budget is a well thought out plan to accomplish program goals and objectives.

Budgeting is a cooperative activity. The process should include the involvement of knowledgeable and interested persons.

Budgeting is a continuous process. Each month of operation provides information for the next budget.

Budgeting is a system of rationing. Available resources are scheduled to accomplish goals.

Budgeting is a means of setting priorities. The needs of the district should be evaluated and met with available resources.

Budgeting should be flexible. Demands and changes may arise after the budget is adopted and may need to be resolved.

Budgeting is comprehensive. The plan should include the needs of all programs and funds available to the district.

A budget is economical. The plan should show justification for the resources and limit the excess use of resources.

A budget is intelligible. Goals and objectives need to be communicated to the public.

A budget is balanced. The plan for expenditures should not exceed the planned source of revenues.

The tasks to be accomplished in producing a school budget may vary from district to district and will be dependent upon the depth of involvement the board of trustees may wish to commit to the process. The tasks to be accomplished may be grouped into three phases: budget preparation, budget presentation, and budget execution.

## **BUDGET PREPARATION**

Preparing the annual school budget requires a commitment of time and effort by the individual or budget-planning group responsible for the development of the plan. The primary concern is that sufficient information is obtained about the demand for resources needed in the coming fiscal year. The budgetary needs of various funds (General Fund, Special Revenue Funds, Debt Service Funds, etc.) all require the attention of the budget planners so that adequate financial plans may be developed.

The involvement of individuals and agencies that can provide accurate information regarding past demands and resources and provide information on the future need for resources may include: school business office personnel, school staff (principal and teachers), county offices, community groups, and the Idaho Department of Education. Three general tasks for budget planning are the educational plan, the spending plan, and the financial plan.

The Educational Plan or the purpose for the budget should be understood by the board of trustees and anyone responsible for supervising the budget. A written statement identifying the purpose of each budget, including the objectives to be accomplished during the year, is beneficial to those responsible for communicating the needs of the budget. A written statement briefly describing the budget is not required to be filed with the official document but such statements should be on file in the administrative offices of the school district. Such statements provide direction for the district and the basis for evaluating the progress of the budget.

Estimating the expenditures necessary for the budget of each fund constitutes The Spending Plan. Information on the past needs and the actual costs of programs that were offered in prior years provides an excellent reference for projecting costs for new budgets. Comparing the previous year's budget information with the amount actually expended and reported in the annual financial report enables the budget planner to identify programs which may need adjustment or review for the new budget. In addition to prior year costs, information about the anticipated need for resources (personnel, supplies, equipment, etc.) to conduct the programs of the budget should be solicited from supervisors, principals, teachers, and any other staff members who may provide sufficient projections to support the decisions needed in planning the new budget.

Estimates of revenues, which may become available from local, county, state, and federal sources constitute the Financial Plan for the annual budget. Projections of anticipated revenue should strive for accuracy and be developed in conjunction with the expenditure needs of each budget. Sources of information include the revenue history of the various funds and an understanding of the sources of revenue or support available from each level of government. The school superintendent, local school business officials, county clerks and assessors, state tax personnel, Idaho Department of Education personnel, and



individuals knowledgeable about federal grants are logical resource persons to be used for obtaining detailed revenue information.

The board of trustees or its delegated budget supervisor should summarize all estimations of expenditures and revenue and develop a working draft of the new fiscal budget. This working draft provides a document for the board, the superintendent, and other budget planners to review and adjust. Tentative approval of the budget by the board of trustees for the new fiscal year should occur prior to the month of June.

### **BUDGET PRESENTATION**

The annual budget that has been developed and tentatively approved by the boards of trustees must be presented to the patrons of the school district at a public hearing. Section 33-801, Idaho Code:

“No later than twenty-eight (28) days prior to its annual meeting, the board of trustees of each school district shall have prepared a budget, in a form prescribed by the State Superintendent of Public Instruction, and shall have called and caused to be held a public hearing thereon...”

The control date, as indicated by the Code, is the date of the annual meeting. Idaho Code, Section 33-510, identifies the annual meeting as the date of the school board’s regularly scheduled meeting during July of each year.

Notification of the hearing shall be accomplished by posting a notice at three public places in the district no less than ten days prior to the scheduled meeting and publishing a notice of the hearing at least once in a newspaper printed for general circulation in the county in which the district is located. The budget document provided by the Office of the State Superintendent of Public Instruction includes a summary statement, which may be used for meeting the publication requirements. A copy of the complete budget document shall be available for inspection at the public hearing and shall be on file at the district’s administrative offices.

The public hearing is to be conducted by the board of trustees and the clerk of the board shall keep a record of the hearing. Prior to the final adoption of the budget, public comment regarding the budget should be considered for its merit by the board. The annual school budget should be considered for its merit by the board. The annual school budget may be formally adopted at the public hearing or it may be adopted at a regular or special meeting held no later than 14 days after the public hearing (Section 33-801, Idaho Code). One copy of the adopted budget, signed by the chairman of the board and the superintendent or charter school administrator, shall be filed with the Idaho Department of Education no later than 21 days after the budget is adopted.

### **BUDGET EXECUTION**

On or about July 1<sup>st</sup>, the adopted budgets should be recorded in the ledgers and accounts of the funds established to operate the school district for the fiscal year. The approved budget projections for revenues are to be entered in the revenue ledgers and the

projection of expenditures are to be entered in their respective ledgers. A Beginning Trial Balance report should be taken to determine the accuracy of the posting and to compare with the adopted budgets.

To provide for prudent control and direction of the annual budgets, the budget supervisor should assign tasks to business office personnel for maintaining the various journals and/or accounts of the school funds. The budget supervisor should conduct periodic analysis of the various budgets and provide interim evaluations and reports to the superintendent of schools and the board of trustees. Interim reporting and budget analysis enable the board of trustees to control and maintain the integrity of the adopted budget. Examples of interim financial reports are illustrated in the Appendix of this manual.

Budget adjustments may become necessary after the adoption of the annual school budget. School trustees are required to review the district budget and to make appropriate adjustments (Idaho Code, Section 33-701-9). The Code is not specific as to when budget adjustments are to be made, except to say “periodically...to reflect the availability of funds and the requirements of the school district.”

It is unlikely that budget forecasts will exactly meet the actual revenue and expenditure demands of the district operations. Factors, such as changes in enrollment, changes in curriculum, staff changes, unforeseen repairs, and others, demand flexibility. Since Idaho Code is not specific as to when changes are subject to the publication notice prescribed in Section 33-401, Idaho Code, use the following as a guide:

- A. Changes within a major function area such as Instruction shall not be subject to the provisions of Section 33-401, Idaho Code.
- B. Movement of appropriations between major function areas will be subject to the provisions of Section 33-401, Idaho Code.
- C. An increase in the level of total appropriations because of an increase in revenue shall be subject to the provisions of Section 33-401, Idaho Code.

Budget adjustments approved by the board are to be recorded in the minutes of the school district and the budget changes are to be filed with the Idaho Department of Education.

GASB pronouncements do not change the budgeting process. However, the pronouncements did change budget reporting requirements for audited financial statements.

First, the budget to actual comparison may be shown as part of the financial statements or as Required Supplemental Information. The Idaho Department of Education recommends that the comparison be shown as Required Supplemental Information, if for no other reason to keep audit costs down. (GASB 34 Paragraph 130)

Second, the budget to actual comparison must show both the original and the final budget. A variance column(s) is strongly encouraged and recommended by the Idaho Department of Education but not required by GASB. (GASB 34 Paragraph 130)

Third, if the budget is prepared on a basis other than Generally Accepted Accounting Principals (GAAP), a reconciliation must be prepared reconciling budget revenues and expenditures to those shown in the fund statements. (GASB 34 Paragraph 131)

Note: School Budgeting laws are primarily in Idaho Code Title 33, Chapter 8 – Budget and Tax Levy. Other related chapters include Chapter 4 – School Elections and Chapter 7 – Fiscal Affairs of School Districts.

## **PUBLIC CHARTER SCHOOLS**

Charter Schools are authorized by Idaho Code Title 33, Chapter 52. Idaho Code 33-5204 states specifically that a charter school shall be organized and managed under the Idaho nonprofit corporation act. Further, the section states that “a charter school shall be considered a public school for all purposes and shall comply with the audit reporting requirements of section 33-701(6)”. Further, charter schools shall annually file financial and statistical reports as required in section 33-701(7). Finally, the section states that for the purposes of section 59-1302(15), Idaho Code, a charter school created pursuant to this chapter shall be deemed a government entity (section 59-1302 relates to the public employees retirement system).

Unfortunately, this has led to confusion to what accounting principles are to be used. Audit reports have been primarily been done using governmental principles rather than not-for-profit principles.

Although the Idaho Department of Education will not reject audited financial statements prepared using not-for-profit accounting principles, it is recommended that financial statements be prepared using governmental accounting principles. This will make the financial statements comparable to school districts and reduce the amount of additional information charter schools would need to prepare and send to the State Department.

As an added note, if the auditor of the charter school writes the financial statement opinion using governmental accounting principles, then in our opinion, the auditor should state that the governmental accounting principles are a prescribed basis of accounting.

## **ACCOUNTING PRINCIPLES AND STATEMENTS**

This section describes the accounting principles that will be followed by Idaho school districts in order to have uniform standards and guidelines for financial accounting and reporting and to be in conformance with Generally Accepted Accounting Principles (GAAP). The accounting principles discussed herein are taken from the Codification of Governmental Accounting & Financial Reporting Standards published by the Governmental Accounting Standards Board (**GASB**). The standards embodied in the codification have evolved over a period of years, and include the pronouncements of the National Council on Governmental Accounting (**NCGA**).

The accounting/budgeting system is part of the fundamental requirements of Idaho Code Title 33, Chapter 7 relating to the fiscal affairs of school districts. This handbook was written with those statutory requirements in mind.

### **ACCOUNTING AND REPORTING CAPABILITIES**

The Idaho Financial Accounting Reporting Management System (**IFARMS**) makes it possible to: (a) present fairly and with full disclosure the financial position and results of financial operations of the district as a whole, as well as the funds of the school district in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions. Full disclosure as used herein means that there is accountability for all assets, liabilities, revenues, expenditures/expenses and fund balances.

### **ENTITY WIDE STATEMENTS (GASB 34 Paragraph's 12-17)**

GASB now requires entity wide (district wide) statements on a full accrual basis consisting of a Statement of Net Assets and a Statement of Activities (GASB 34 Paragraph 12). These statements include capital assets and long term debt. This requirement is in addition to the Fund Statements. Further, a reconciliation is required so a reader can go from one statement to the other statement. Note, most districts will not keep their books on an accrual basis, but at the end of the year prepare a worksheet with entries to adjust the books from modified accrual to full accrual. (See Appendix)

These entity wide statements are required for both Governmental funds and Proprietary funds. To ease the burden, the Idaho Department of Education recommends that district's use only governmental funds. For those district's that have proprietary funds, (either an internal service fund or an enterprise fund), it is suggested such funds be reviewed for necessity. If deemed necessary, the district should use the provision that allows minor proprietary funds to be rolled into the district-wide governmental funds.

## **STATEMENT OF NET ASSETS**

In essence, the Statement of Net Assets (GASB 34 – Paragraph 30) is a balance sheet – assets owned, liabilities owed and the balance (net assets). The primary decision to be made in regards to the Statement of Net Assets is whether the assets and liabilities are shown in a liquidity/maturity format or a classified format (GASB 34, Paragraph 31). The Idaho Department of Education recommends the classified format, which is consistent with ASBO. The liquidity/maturity format lists assets in order of ease converting to cash and liabilities in order of required payment. The classified format divides assets and liabilities between current and non-current with sub totals for both.

Net assets is the difference between assets and liabilities, i.e. what is left over. Net assets are divided into three components:

- Net Assets invested in capital assets, net of related debt (GASB 34, Paragraph 33)
- Restricted Net Assets (GASB 34, Paragraph's 34 and 35). Restricted net assets are to be reported when the following constraints are placed on net assets: 1) Externally imposed by creditors, grantors, contributors or laws or regulations of other governments or 2) Imposed by laws through constitutional provisions or enabling legislation.
- Unrestricted Net Assets (GASB 34, Paragraph 36). As stated in GASB 34, Paragraph 37, designations of net assets should not be reported on the face of the statement of net assets.

## **STATEMENT OF ACTIVITIES**

The Statement of Activities is as its name implies a statement of revenues and expenses organized by function/program. The IFARMS manual contains a recommended list of function/program codes.

Revenues must be identified as either program revenues or general revenues (GASB 34, Paragraph 47). Program revenues are generated by the services themselves, e.g. charges for services, grants, and contributions. General revenues are those not generated by the services, or put another way, unrestricted revenue. Property taxes are almost always general revenue. Federal grants, however, are usually program revenues. The following are reported separately from, but in the same manner as, general revenues:

- contributions to term and permanent endowments;
- special and extraordinary items; and
- transfers

The following gives an indication of how current revenue codes would be classified:

Code	Revenues	Type of Revenue			
		General Purpose	Program		
			Charges For Service	Operating Grants and Contributions	Capital Grants and Contributions
410000	Revenues from Local Sources				
411000	AD Valorem (property) Taxes	Always			
412000	AD Valorem (property) Taxes/other)	Always			
413000	Penalty & Interest Property Taxes	Always			
414000	Tuition	Infrequently	Almost Always		
415000	Earnings on Investment	Generally	Potentially	Potentially	Potentially
416000	Food Services		Always		
417000	Student Body Activities	Potentially	Generally		
418000	Community Activity	Potentially	Generally		
419100	Rentals		Generally		
419200	Contributions and Donations	Potentially		Generally	Potentially
419300	Transportation Fees	Potentially	Generally		
419900	Other local	Potentially	Potentially	Potentially	Potentially
420000	Revenue From Intermediate Sources				
429000	County – other	Potentially	Potentially	Potentially	Potentially
431100	Base School Support	Always			
431200	Transportation Support	Potentially		Generally	
431400	Exceptional Child	Potentially		Generally	
431500	Border Tuition Support	Potentially		Generally	
431600	Tuition Equivalency	Generally		Potentially	
431800	State Paid Benefits	Generally		Potentially	
431900	Other	Potentially	Potentially	Potentially	Potentially
432000	Restricted State Support				
432100	Driver Education			Always	
432400	Vocational Education			Generally	Potentially

437000	Lottery Revenue / School Facility State Match	Always			
438000	Revenue in Lieu of / Ag Equipment Taxes	Always			
439000	Other State Revenue	Generally	Potentially	Generally	Potentially
440000	Federal Revenue				
442000	Unrestricted Grants – Indirect	Always			
443000	Unrestricted Grants - Direct	Always			
445100	Title 1, ESEA			Generally	Potentially
445200	Title VI, ESEA- Innovative Practices			Generally	Potentially
445300	Perkins III – Vocational Technical Act			Generally	Potentially
445400	Adult Education			Generally	Potentially
445500	Child Nutrition Reimbursement			Generally	Potentially
445600	IDEA Part B			Generally	Potentially
445900	Other Indirect Federal Programs			Generally	Potentially
448000	Revenue in Lieu of Taxes, Direct	Always			
448200	Impact Aid (P. L. 874)			Potentially	Potentially
451000	Bonds/LT Debt	Usually special or extraordinary items			
453000	Sale or Compensation for loss of Fixed Assets	Usually special or extraordinary items			
460000	Transfers	Usually special or extraordinary items			

Expenses are shown on the accrual basis, thus showing the full costs of the function/program. Put another way, direct expenses are shown with the function/program they relate to. The following explains how non-direct costs are to be treated.

1. Indirect expenses may or may not be allocated. The Department recommends indirect costs not be allocated. (GASB 34, Paragraph 42)
2. Depreciation expenses are allocated among the functions/programs and included within the expense amounts, to the extent the depreciation can be connected with capital assets specifically related to the functions/programs. The remaining unallocated depreciation can be shown separately or as part of general government. The Idaho Department of Education recommends it be shown separately. (GASB 34, Paragraph 44)
3. Interest expense is almost always shown separately. (GASB 34, Paragraph 46)



## **FUND ACCOUNTING SYSTEMS**

School district accounting systems should be organized and operated on a fund basis. A fund is defined as an accounting entity with a self-balancing set of accounts that includes all cash and other financial resources, together with all related liabilities and residual equities, which are segregated for the purpose of carrying on a specific activity. School districts establish funds because of legal restrictions, such as the Bond Interest and Redemption Fund, or by administrative decision, such as a Drivers Education Fund.

The new GASB accounting principles still requires funds (GASB 34, Paragraph 63). In addition to the old Government funds – general, special revenue, capital projects, and debt reserves, GASB created a “Permanent” fund (GASB 34, Paragraph 65). Permanent funds should be used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government’s programs. In essence, this is the old non-expendable trust fund (sometimes called an endowment fund).

Fiduciary Funds changed slightly (GASB 34, Paragraphs 69-73). In the case of school districts, they will still have agency funds and a few will have what is called private-purpose trust funds. Private purpose trust funds are all trust arrangements (other than pension and investment) under which principal and income benefits individuals, private organizations, or other governments. Student Activity funds would be an agency fund.

However, the focus of fund financial statements is on “major” funds (GASB 34, Paragraph 75). Major funds are based on the following criteria:

- a- Total assets, liabilities, revenues, or expenditures/expenses of that individual fund are at least 10% of the corresponding total for all funds of that type; and
- b- Total assets, liabilities, revenues or expenditures/expenses of the individual governmental or enterprise/fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined. (GASB 34, Paragraph 76)

However, the general fund is always a major fund and government officials can designate a fund that does not meet the criteria to be a major fund because of public interest, consistency, etc. (GASB 34, Paragraph 76)

The Idaho Department of Education has designated the following as major funds:

- General
- Child Nutrition
- Debt Service
- Capital Projects

All other funds are non-major funds and are combined in one column. Non-major funds shall be shown individually in the combining statements included in the supplemental section of the audit report.

## **ACCOUNT GROUPS**

GASB 34 eliminated “Account Groups”. There is no longer a General Fixed Asset Account Group or a General Long Term Debt Account Group. However, GASB did not eliminate the need to account for fixed (now called “capital”) assets or long term debt. In fact, they probably made the need to account for such assets and liabilities more essential. No longer will a district be able to have an audit exception for the lack of capital assets records.

## **ACCOUNTING FOR CAPITAL ASSETS (GASB 34 Paragraphs 18-29)**

GASB now requires each district to capitalize and depreciate capital assets. (Capital assets related to a specific proprietary fund are still reported in that fund. However, the Idaho Department of Education has recommended that proprietary funds be combined with the governmental funds.) As such, school districts will have to value capital assets. Capital assets are valued at cost, or if cost is not determinable at estimated cost. Donated assets are valued at market value at the time received. Those districts without records will have to do an inventory and place a value on capital assets. (One hint: those assets whose usable life has ended will not have to be valued as they would be full depreciated. Your CPA auditor should be able to help you come up with a value.)

To account for capital assets several steps must be taken:

- First – Determine capitalization limits. In other words, what will be capitalized versus being expensed.
- Second – Determine the life of the capital asset. In other words, how long will the asset last.

Typically capital assets will be classified into several classifications, such as:

Buildings  
Land  
Betterments  
Equipment

The Department could, but has elected not to mandate capitalization values and asset lives. However, the following schedule showing asset lives was taken from the Association of School Business Officials International’s GASB Statement 34 Implementation Recommendations for School Districts. ASBO encourages its use.

Asset Class	Examples	Est. Useful Life in Years
Land		N/A
Site Improvements	Paving, flagpoles, retaining walls, sidewalks, fencing, outdoor lighting	20
School Buildings		50
Portable Classrooms		25
HVAC Systems	Heating, ventilation, and air conditioning systems	20

Roofing		20
Interior Construction		25
Carpet Replacement		7
Electrical/Plumbing		30
Sprinkler/Fire System	Fire suppression systems	25
Outdoor Equipment	Playground, radio towers, fuel tanks, pumps	20
Machinery and Tools	Shop and maintenance equipment, tools	15
Kitchen Equipment	Appliances	15
Custodial Equipment	Floor scrubbers, vacuums, other	15
Science and Engineering	Lab equipment, scientific apparatus	10
Furniture and Accessories	Classroom and office furniture	20
Business Machines	Fax, duplicating and printing equipment	10
Copiers		5
Communications Equipment	Mobile, portable radios, non-computerized	10
Computer Hardware	PCs, printers, network hardware	5
Computer Software	Instructional, other short-term	5 to 10
Computer Software	Administrative or long-term	10 to 20
Audio Visual Equipment	Projectors, cameras (still & digital)	10
Athletic Equipment	Gymnastics, football, weight machines, wrestling mats	10
Musical Instruments	Pianos, string brass, percussion	10
Library Books	Collections	5 to 7
Licensed Vehicles	Buses, other on-road vehicles	8
Contractors Equipment	Major off-road vehicles, front-end loaders, large tractors, mobile air compressor	10
Grounds Equipment	Mowers, tractors, attachments	15

Further, ASBO recommends that school districts establish a capitalization threshold that insures at least 80% of the value of assets is reported.

For those districts needing an amount, the Department believes small districts should be from \$500 to \$2,500, medium districts from \$1,500 to \$5,000, large districts from \$4,000 to \$10,000, and very large districts from \$5,000 to \$20,000. Further, the Department reminds districts that the federal government uses \$5,000 for grant management purposes.

Finally, another place to look for asset life guidance is the State of Idaho's Controller's Office. Their fixed asset inventory system can be found at <http://www.sco.idaho.gov> and clicking on "Accounting" and then "Fiscal Policies" and then selecting "Property, Plant and Equipment". Another decision that must be made is when to expense or capitalize repairs.

## **INFRASTRUCTURE**

GASB has made special rules for accounting for infrastructure. Most school districts will not have infrastructure as defined by GASB. Further, those districts having infrastructure should be able to classify it into one of their capital asset classes. If this becomes an issue, the district should contact the Idaho Department of Education and their auditor.

## **LONG TERM LIABILITIES**

Long term debt must be recorded in the district's entity wide statement.

## **BASIS OF ACCOUNTING (GASB 1600)**

"Basis of Accounting", i.e. cash, modified accrual, and accrual, refers to when revenues, expenditures, expenses, and transfers, as well as the related assets and liabilities are recognized in the accounts and reported in the financial statements. The following are definitions of the cash, accrual and the modified accrual basis of accounting and the funds that will be using each.

Cash basis is the method of accounting under which revenues are recorded when received and expenditures when expended. The cash basis of accounting generally is not appropriate for use by Idaho school districts.

Accrual Basis is the method of accounting which calls for recording revenue in the period in which it is earned and recording expenses in the period in which they are incurred without regard to the time of receipt or payment of cash. Proprietary funds (enterprise and internal service funds) and fiduciary funds (pension trust, investment trust, private purpose trust and agency) use the accrual basis of accounting.

Modified Accrual Basis is the method of accounting which adapts accrual accounting to funds that generally report only current assets and liabilities on their balance sheets. The funds which will be using modified accrual accounting are:

- a. General Fund
- b. Special Revenue Funds
- c. Permanent Funds (GASB 34, Paragraph 65)
- d. Debt Service Funds
- e. Capital Project Funds

Revenues under modified accrual accounting are recognized when it is both measurable and available. Available, as defined by the National Council on Governmental Accounting's (NCGA) Interpretation 3 is when due, or past due and receivable within the current period and collected soon enough thereafter to be used to pay liabilities of the current period.

Expenditures under modified accrual accounting are recognized when a liability is incurred and when the cost of goods and services can be matched against the appropriation which authorized the purchase. The exceptions to this rule are as follows:

- a. Payment of interest on bonded debt is usually recognized in the year of payment.
- b. Inventory of consumable items may be considered expenditures either when purchased or when used. However, significant amounts of inventory should be reported on the balance sheet.
- c. Prepaid insurance and similar items need not be reported as assets.

### **ENCUMBRANCES**

Encumbrances are commitments related to unperformed contracts for goods or services that may be recorded for budgetary control purposes in the General and Special Revenue funds. Encumbrance accounting and reporting may be summarized as follows:

- 1. Encumbrance accounting may be used to the extent necessary to assure budgetary control, accountability, effective planning, and cash control.
- 2. Outstanding encumbrances at year-end represent estimated amounts of expenditures and do not constitute expenditures or liabilities.
- 3. Appropriations lapse at year-end; therefore, if the school district intends to honor outstanding encumbrances, it should: (a) disclose the encumbrances at year-end, and (b) provide for adequate spending authority in the subsequent year's budget.

## **FINANCIAL ACCOUNTING PROCEDURES**

In both manual and computerized accounting systems, implementing the prescribed **IFARMS** accounting principles will impact the school district's accounting procedures. Outlined in this section are examples of accounting practices that may arise in day-to-day situations.

### **ACCOUNTING SYSTEM DATA FLOW**

Accounting records are initiated by source documents. Source documents for school district records are generally items such as: purchase orders, checks, cash receipts, invoices, payroll records, tax levies, and others. Information from these source documents is entered into a book of original entry or journal, and the source documents are then filed for future reference. The journal entries are made daily or weekly and totaled monthly. An illustration of the data flow for the accounting systems appears in the Appendix of this manual.

The school district's books of original entry or journals can take many forms. Generally, journals are designed to accommodate a particular type of source document, e.g. a cash receipts journal. Some journals can also record more than one type of source document. These journals are known as combination journals. Columnar journals are often used to reduce the amount of monthly posting. When columnar journals are used, the amounts extracted from source documents are distributed to a specific column in the journal to summarize that type of financial activity. Journals are totaled monthly so that the summary totals can be posted to a ledger. Often, subsidiary ledgers are kept, with amounts from journals posted to these subsidiary ledgers.

School districts have several funds, and each fund requires its own general ledger and subsidiary ledgers. Interfund activity will necessitate accounting entries in the ledgers of the funds affected. For example, when the General Fund for the benefit of another fund makes a payment of expenditure, the General Fund records the payment as an Interfund Receivable and the other fund records the expenditure and the Interfund Payable to the General Fund.

### **CAPITALIZATION OF CAPITAL ASSETS**

Capitalization is the process of recording an expenditure to an asset account after it has met the school district's established criteria for defining capital assets. Although account groups have been eliminated, an inventory of fixed assets must be maintained. Unless computerized, this will involve another entry.

The amount that is recorded is the total cost of the asset, including all freight and set-up charges. If the asset is received as a gift, then fair market value should be established and used for recording purposes.

The school district should establish definitive criteria for capitalizing assets. The following general criteria may be used as a guide:

1. Assets purchased using a specific capital outlay grant or fund must be capitalized.
2. The estimated useful life of the asset should be greater than one year.
3. The asset should retain its original appearance with use.
4. It is generally more cost effective to repair rather than replace the asset.
5. The cost of procedures to safeguard the asset should be less than the cost of replacing the asset.

The following accounting entries will serve to illustrate the recording of a purchase of capital assets:

In this example, four computers were purchased at a cost of \$20,000; one is to be used in the business operations program and three will be used in the elementary instruction program. The computers were paid for with General Funds.

### **GENERAL FUND**

10/15/08

<u>CODE</u>	<u>DESCRIPTION</u>	<u>DR</u>	<u>CR</u>
651550	Equip., Business Office	\$ 5,000	
512550	Equip., Elementary Instruction	15,000	
213000	Accounts Payable (to record computer purchase)		\$20,000

### **CAPITAL ASSET INVENTORY\***

10/15/08

<u>CODE</u>	<u>DESCRIPTION</u>	<u>DR</u>	<u>CR</u>
123100	Equip-Computers	\$20,000	
330100	Investment in Capital Assets (to record capital assets)		\$20,000

The foregoing entries show how an asset purchase is recorded in both the General Fund records and the Capital Asset Inventory. It is essential that the entry to the Capital Asset Inventory be made in order to keep the asset accounting system current.

\*Although districts are free to design their own inventory system, it also shows how the capital asset inventory could be kept by using the method designed to maintain the no longer required General Fixed Asset Account Group.

The following entries illustrate how disposal of an asset is recorded:

#### **GENERAL FUND**

11/15/08

<u>CODE</u>	<u>DESCRIPTION</u>	<u>DR</u>	<u>CR</u>
111100	Cash in bank	\$2,000	
453000	Revenue-Asset Sale (to record proceeds from sale of auto)		\$2,000

#### **CAPITAL ASSET INVENTORY**

11/15/08

<u>CODE</u>	<u>DESCRIPTION</u>	<u>DR</u>	<u>CR</u>
328100	Investment in capital Assets (General Fund)	\$4,000	
123100	Equipment-Auto (to remove auto from Capital Asset Inventory)		\$4,000

#### **RECORDING OF SALARIES PAYABLE, MODIFIED ACCRUAL METHOD**

Contracts for teachers' salaries are payable in twelve monthly installments beginning in September. At fiscal year end, two months of salary expense remains to be paid under current contracts. In order to match that salary expense with the fiscal year in which it was earned, the expense and corresponding liability are posted to the accounts on June 30:

<u>CODE</u>	<u>DESCRIPTION</u>	<u>DR</u>	<u>CR</u>
512100	Elementary Salary	\$383,635	
515100	Secondary Salary	395,624	
521100	Exceptional Salary	71,932	
524100	Gifted and Talented Salary	4,795	
621100	Instructional Impr. Salary	10,790	
622100	Educational Media Salary	20,381	
217100	Salaries Payable (To accrue the expense and to record the liability for the remaining two months of teachers' salaries due under 2008-2009 contracts)		\$887,157

#### **RECORDING PROPERTY TAXES, MODIFIED ACCRUAL METHOD**

In determining what amount and when to record property taxes, the key factors are:

1. Is the amount MEASUREABLE? Can the dollar amount be ascertained?
2. Is the amount AVAILABLE? Is it to be received within 60 days?
3. Is the amount MATERIAL? Is it large enough to warrant accrual?



The following entries illustrate the accounting entries necessary to record the current levy when made, the anticipation of tax collection, and the actual receipt of cash.

**GENERAL FUND**

9/10/08

<u>CODE</u>	<u>DESCRIPTION</u>	<u>DR</u>	<u>CR</u>
113100	Taxes Receivable	\$1,000,000	
221000	Deferred Revenue (to record full amount of current year levy)		\$1,000,000

12/31/08

221000	Deferred Revenue	640,000	
411000	Tax Revenue (to recognize amount of taxes expected to be collected by 1/31/09)		640,000

1/31/09

111100	Cash in Bank	640,000	
113100	Taxes Receivable (to record receipt of cash from tax collections for current year levy)		640,000

On June 30, the school district will need to determine the amount of uncollected taxes expected to be received by August 31 and make an entry similar to the 12/31/08 entry.

**INTERFUND RECEIVABLE/PAYABLES**

School districts often use interfund advances and short term loans between funds in order to maintain positive cash balances or to fulfill requirements of contracts or grant agreements. The proper accounting treatment of these advances is illustrated below:

Assume the General Fund was used to pay for library supplies that are part of the Title 1 grant program:

**GENERAL FUND**

11/15/08

<u>CODE</u>	<u>DESCRIPTION</u>	<u>DR</u>	<u>CR</u>
114200	Due from Title 1 Fund	\$1,000	
111100	Cash in Bank (to record payment by General Fund for Title 1 Fund)		\$1,000

**TITLE 1 FUND**

11/15/08

622430	Library Books	\$1,000	
211200	Due to General Fund		\$1,000
	(to record payment for books made by General Fund)		

When Title 1 Funds are received, the advance is paid back with a check written from the Title 1 Fund, the entry is as follows:

**TITLE 1 FUND**

12/16/08

211200	Due to General Fund	\$1,000	
111100	Cash in Bank		\$1,000

**GENERAL FUND**

12/17/08

111100	Cash in Bank	\$1,000	
114200	Due from Title 1 Fund		\$1,000

Outstanding interfund receivable and payable accounts will appear on the respective fund balance sheets at the end of an accounting period. For purposes of reporting, current amounts due from and due to the same funds may be offset and the net amounts shown in the respective fund balance sheets.

**REFUNDS**

Refunds generally fall into two categories: (a) those of current year expenditures and (b) those of prior year expenditures. When a refund of a current year expenditure occurs, the amount should be returned to the budgetary account originally charged.

**GENERAL FUND**

3/10/09

<b><u>CODE</u></b>	<b><u>DESCRIPTION</u></b>	<b><u>DR</u></b>	<b><u>CR</u></b>
111100	Cash	\$1,000	
512440	Elementary Program Supplies (to record return of book order)		\$1,000

The refund of a prior year expenditure presents a more complex accounting problem. Since the refund pertains to a prior period and the fund balance was reduced by an amount larger than it should have been through the closeout process, the refund should be accounted for as a correction of an error. Error corrections are covered by Financial Accounting Standard Number 16, which states that these adjustments must:

1. Be material
2. Be specifically identifiable with a prior period
3. Not be subject to reasonable estimation prior to the end of the fiscal year in which the error occurs

If the refund meets these criteria, it should be recorded as an increase to the fund balance of the fund affected. (Revenue accounts are not affected by refunds).

#### **GENERAL FUND**

9/25/08

<u>CODE</u>	<u>DESCRIPTION</u>	<u>DR</u>	<u>CR</u>
111100	Cash	\$1,827	
312000	Fund Balance (to record refund of double payment of mechanic's bill for bus, June 2008)		\$1,827

#### **FUND BALANCES**

Fund balances of governmental funds may be classified either as reserved or unreserved. The unreserved portion may be further classified as designated or undesignated.

A. Reserved Fund Balances are established to identify:

1. The existence of assets that, because of their nonmonetary nature or lack of liquidity, represent resources not available for current appropriation or expenditure. Example: Reserve for Inventory.
2. A portion of the fund balance legally segregated for a specific future use. Example: Reserve for Encumbrances.

B. Unreserved Fund Balances exist where a portion of the Fund Balance has been reserved; the portion remaining after reservations is the Unreserved Fund Balance.

1. Designated. Fund balance designations may be recorded as a demonstration of future expenditure intentions or restrictions. Such designations reflect tentative managerial plans and should be clearly distinguished from reserves. The tentative plan may never be legally authorized or may be changed; therefore, designations should be reported as part of unreserved Fund Balance, designated for..., or disclosed in the notes to the financial statements.
2. Undesignated. The fund balance remaining (after reduction for reserved and designated balances) is identified as the unreserved and undesignated fund balance.

## **FINANCIAL REPORTING PROCEDURES**

Reporting is the third component of the IFARMS management system. It is the process of communicating information concerning the financial position and the financial results of operations to the board of trustees and other interested parties. Financial statements are to be prepared from the accounts of funds operated by the school district. (Most districts will find it very impracticable to produce full accrual school district-wide statements on a basis other than yearly. Thus, this section only discusses fund statements.) Monthly and annual reporting periods are most commonly used to present financial information, but local management may adopt reporting schedules which will present financial data on a quarterly or semiannual basis.

### **MONTHLY REPORTING**

The monthly financial reports are prepared primarily for the board of trustees and the school administrators who are responsible for the prudent control of school district resources. These reports will provide a source of information which may be of interest to other segments of the public and therefore, such reports may be made available for public reference. Each school district may determine the type and form of each monthly report. The IFARMS manual recommends that the following monthly reports be considered for use:

- Balance Sheet
- Statement of Revenues and Expenditures with Budget Comparison
- Schedule of Investments Held
- Monthly Bill Payment List
- Schedule of Taxes Receivable
- Cash Flow Schedule

Ideally, all funds should be reported on a monthly basis, but a minimum requirement should include the reporting of the General M & O Fund.

### **ANNUAL REPORTS**

Reporting financial information on an annual basis is controlled by regulations adopted by the State Board of Education and by Section 33-701 (5) of the Idaho Code. As per regulation, each school district is required to submit to the Idaho Department of Education on or before October 31, an annual report. The content of this report should be based on the accounts of funds operated by the school district and reported on a fiscal year which shall include the dates July 1 through June 30.

The annual financial report should be prepared by the financial officer of the school district and the report is to be signed by the chairman of the board of trustees, the clerk, and the superintendent of schools. The financial information to be reported will include:

Combined Balance Sheet—All Funds  
Combined Statement of Revenues, Expenditures, and Changes in Balances  
– All Funds  
Combining Balance Sheet—Special Revenue Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund  
Balances - Special Revenue Funds  
Detail of Capital Assets  
Detail of Bond Issue Balance and Activity

(Note: The information required is on a fund format and does not include all data required in the annual audit report. However, such data should be the same or reconciled to the audit report.)

Examples of these reports appear in the Appendix. The information supplied through these reports should provide an accurate representation of the financial operations of the school district for the completed fiscal year. The information becomes part of the Idaho Department of Education's publication Financial Summaries - Idaho School Districts.

The annual Statement of Financial Condition may be prepared for publication by the financial officer of the school district or the statement may be a product of the independent audit required by Idaho Code 33-701 (5, 6). The IFARMS manual recommends the following reports be completed and submitted for publication within 120 days after the end of the fiscal year as required by Idaho Code:

Combined Balance Sheet—All Funds  
Complete Statement of Revenues and Expenditures with Budget Comparison

## **AUDIT REPORT**

The final financial report for the fiscal year is the full and complete audit report submitted in compliance with Idaho Code 33-701(6). Specific requirements of the law include:

1. An independent auditor shall be employed on a written contract.
2. All funds shall be audited, including student activity funds.
3. The audit shall be made in accordance with generally accepted auditing standards and procedures.
4. The completed audit report shall be accepted by the board of trustees.
5. Copies of the audit report shall be filed with the Idaho Department of Education and Legislative Services no later than November 10.

The purpose of the audit should be to determine whether:

1. Financial operations are conducted properly.
2. Financial statements are presented fairly.
3. Compliance exists with laws and regulations affecting the expenditure of special revenue funds.
4. Internal controls have been established to meet the objectives of federal, state, and local regulations.
5. Accurate and reliable information is being provided to the public and government agencies.

It should be clear that the financial statements are the representations of the school district, not those of the auditor. In practice, the auditor may draft the statements and footnotes, type, and reproduce the statements, but the responsibility is still that of school district management.

The audit report will have both school district wide financial statements and fund statements. However, the focus of fund financial statements is on “major” funds. Major funds are based on the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual fund are at least 10% of the corresponding total for all funds of that type and
- b. Total assets, liabilities, revenues or expenditures/expenses of the individual governmental or enterprise funds one at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The general fund is always a major fund and government officials can designate a fund that does not meet the criteria to be a major fund because of public interest, consistency, etc.

The Idaho Department of Education has designated the following as major funds:

- General
- School Lunch
- Debt Service
- Capital Projects

Unless meeting the definition of a major fund, all other funds are non-major funds and combined in one column. The Idaho Department of Education requests that non-major funds be shown individually in combining statements.

## **MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)**

The management’s discussion and analysis (MD&A) is part of the required supplementary information (RSI); however, it precedes the financial statements. It should be based on currently known facts as of the date of the audit report and should

- Provide a concise, unbiased, and easily readable description of the government's financial activities and
- Help users understand the relationship of the results reported in the governmental activities in the governmentwide financial statements and the results reported in the governmental funds financial statements (usually focused on the major funds).

The focus of the MD&A should be on the primary government. However, information on any discretely presented component units may be presented as well. GASB has stated that both the positive and negative aspects of the government's operations should be presented to inform the reader about whether the government is in better or worse financial condition than in the prior year. The focus should be on only significant or material items.

MD&A is restricted to the following topics, although there is no limit to the information that may be presented about these topics.

- ***Information and discussion on the basic financial statements presented, their relationship to one another, and the significant differences in the information they provide.*** The discussion should include the different methods of accounting used in the governmentwide and fund financial statements.
- ***Condensed financial information comparing the current year and the prior year.*** The analysis should include specific economic factors that contributed to the change. Charts and graphs may be used to supplement information in the condensed statements but should not be used in place of it.
- ***Objective analysis of the governmental entity's financial condition as a whole.*** Analysis of the government's overall financial position and results of operations should address both governmental and business-type activities separately.
- ***An analysis of balances and transactions on a fund basis, addressing the reasons for significant changes in fund balances or fund net assets.*** The analysis should also include information on whether restrictions, commitments, or other limitations significantly affect the availability of fund resources for future use.
- ***A discussion on significant variances among the entity's original budget, final budget, and actual expenditures for the General Fund or its equivalent and the impact of these variances on the entity's future liquidity.***
- ***A description of activity relating to the government's capital assets and long-term debt activity during the year.*** This discussion should include commitments made for capital expenditures, changes in credit ratings, and debt limitations affecting the financing of planned facilities for services.

- ***A discussion of information about the modified approach used to report some or all of the infrastructure assets, if applicable.***
- ***A description of currently known facts, decisions, or conditions expected to have an impact on financial position and results of operation.*** The term *currently known* is limited to events or decisions that have occurred, been enacted, adopted, agreed on, or contracted as of the date of the auditor's report. The discussion should address expected effects on both governmental and business-type activities.

Information that does not address the requirements above should not be included in the MD&A but instead may be reported as supplementary information or included in the letter of transmittal.

The entity should ensure that information contained in MD&A is not duplicated in the letter of transmittal.

In the reporting entity provides comparative financial statements by presenting basic financial statements and RSI for two years, a separate MD&A for each year is not required, but it must address both years presented in the comparative financial statements. MD&A should include comparative condensed financial information and related analysis for both years.



## IFARMS CODING STRUCTURE

A uniform account code structure gives an entity the ability to accurately and effectively report on its financial activities. The hierarchy for both revenues and expenditures gives districts the necessary code structure to segregate and group accounts with the greatest amount of flexibility and, therefore, the ability to produce the most useful financial statements. It also allows the Idaho Department of Education to collect uniform information from the school districts. The IFARMS coding structure recommends the use of a minimum of 9 digits to a maximum of 16 digits to accommodate an adequate system of accounts for the various sizes of school districts in the state. IFARMS will use the following code classification:

FUND <u>XXX</u>	ACCOUNTS <u>XXXXXX</u>	LOCATION <u>XXX</u>	PROJECT <u>XXX</u>	FY <u>X</u>
3 digits	6 digits	3 digits	3 digits	1 digit
(see p. 32)	100000 Assets (see p. 35) 200000 Liabilities (p. 36) 300000 Equity (p. 37) 400000 Revenue (p. 38) 500000 Expenditure (p. 42) 600000 Expenditure (p. 42) 700000 Expenditure (p. 43) 800000 Expenditure (p. 43) 900000 Expenditure (p. 43)	(see p. 47)	(see p. 48)	(see p. 49)

Only FUND and ACCOUNT codes are required for use when reporting to the Idaho Department of Education. Usage of Location, Project, and Year designations is optional, depending on a district's individual desire for specificity. The page numbers indicated refer to the definitions for each item in the Accounting Structure.

## **FUNDS**

## **FUNDS**

A FUND is an independent fiscal and accounting entity with a self-balancing set of accounts, which includes its own assets, liabilities, and equities. A fund is segregated for the purpose of carrying on a specific activity of the school district in accordance with specific legislation, regulations, or limitation. All financial accounting transactions of the school district are the responsibility of the board of trustees and are to be charged to one of the following:

### **GOVERNMENTAL FUNDS**

#### **100 GENERAL M & O**

(Note: Includes state appropriation enhancements)

Idaho Reading Initiative  
Limited English Proficiency (State LEP)  
Teacher Incentive – National Certification  
Gifted and Talented  
Classroom Supplies  
Remediation

#### **200 SPECIAL REVENUE**

220 Federal Forest Reserve  
230-239 Local Special Projects  
240 School Building Maintenance (Student-Occupied)  
241 Driver Education - State  
243 Professional Technical - State  
245 Technology - State  
246 Substance Abuse - State  
240-249 State Special Projects (except 240,241,243,245,246)  
251 Title I-A, ESEA - Improving Basic Programs  
252 Not Assigned (formerly Title I-B, ESEA Student Reading Skills Improvements)  
253 Title I-C, ESEA - Education of Migratory Children  
255 Title I-D, ESEA - Neglected Delinquent Children  
256 Not Assigned (formerly Title I-F, ESEA - Comprehensive School Reform (CSR))  
257 **IDEA Part B - School-Age**  
258 **IDEA Part B - Pre-School**  
261 Not Assigned (formerly Title V-A, ESEA - Innovative Programs)  
262 Title VI-B, ESEA - Rural Education Initiative  
263 Perkins III - Professional Technical Act  
267 Title VII-A, Indian Education  
269 Johnson O'Malley  
270 Title III, ESEA - Language Instruction for LEP & Immigrant  
271 Title II-A, ESEA - Improving Teacher Quality  
273 Title IV-A, ESEA - Safe & Drug-Free Schools & Communities  
281 Goals 2000 Carryover  
282 Not Assigned (formerly Title II-D, ESEA – Technology)  
283 Technology Literacy Challenge Carryover  
271-289 Federal Special Projects (unless used above)  
290 Child Nutrition

**300 DEBT SERVICE**

310 Bond Redemption & Interest

**400 CAPITAL PROJECT FUNDS**

410 Capital Construction Projects

420 Plant Facilities

424 Plant Facilities – Bus Depreciation

425 Plant Facilities – Lottery

426 Plant Facilities – Lease Excess

430 Plant Facilities – School Building Maintenance (Student-Occupied)

490 Insurance Adjustment Fund

**PROPRIETARY FUNDS****500 \* ENTERPRISE FUNDS**

510 Enterprise Fund

**600 \* INTERNAL SERVICE FUNDS**

610 Internal Service

**FIDUCIARY FUNDS****700 \* FIDUCIARY FUNDS**

720-729 Permanent Trust

730 Private-Purpose Trust

750 \* School Activity Fund (Agency Fund)

**810\* CAPITAL ASSETS INVENTORY****910 \* LONG TERM DEBT**

Note: Non-expendable trust funds became permanent funds and were placed in Governmental Funds. Expendable trust funds should be reclassified as special revenue funds.

\* Balance Sheet Accounts

## **FUNDS**

GASB 34 did away with Account Groups. However, they did not do away with the need to account for both capital assets and long term debt. Account groups were used to establish accounting control and accountability for the district's general fixed assets and the unmatured principal of its general long-term debt. Because there is still a need, the coding structure was left intact but the terminology was changed so districts could use this method to account for capital assets and long term debt. Districts are free to use other systems.

<b><u>DESIGNATION</u></b>	<b><u>ACCOUNT</u></b>
<b>ACCOUNT</b>	
<b>800</b>	<b>CAPITAL ASSETS INVENTORY</b>
810	Capital Assets – General Fund
<b>900</b>	<b>LONG TERM DEBT</b>
910	Capital Term Debt

### Coding Example:

These FUND and ACCOUNT designations will precede the regular account codes:

100-111100 = General Fund-Cash in Bank  
810-122100 = Capital Assets General Buildings

## **BALANCE SHEET ACCOUNTS**

## BALANCE SHEET ACCOUNTS

Balance Sheet is the basic financial statement which presents the Assets, Liabilities, and Equity accounts of each fund. The codes and titles for the classifications of the balance sheet accounts are:

<b><u>CODE</u></b>	<b><u>TITLE</u></b>
<b>100000</b>	<b>ASSETS AND OTHER DEBITS</b>
<b>110000</b>	<b>CURRENT ASSETS</b>
<b>111000</b>	<b>CASH</b>
111100	Cash in Bank
111200	Cash on Hand
111300	Petty Cash
111400	Cash with Fiscal Agents
<b>112000</b>	<b>INVESTMENTS</b>
112100	Investments
112200	Unamortized Premiums on Investments
112300	Unamortized Discounts on Investments
<b>113000</b>	<b>TAXES RECEIVABLE</b>
113100	Taxes Receivable
113110	Provision for Uncollectable Taxes
<b>114000</b>	<b>OTHER RECEIVABLES</b>
114100	Intergovernmental Accounts Receivable
114200	Interfund Accounts Receivable
114300	Interest Receivable on Investments
114400	Notes/Loans Receivable
114500	Other Receivables
<b>115000</b>	<b>INVENTORIES</b>
115100	Material & Supply – General
115200	Food Service
<b>116000</b>	<b>OTHER CURRENT ASSETS</b>
116100	Prepaid Expenses
116200	Deposits
116300	Other Current Assets
<b>120000</b>	<b>FIXED ASSETS</b>
<b>121000</b>	<b>SITES</b>
121100	Sites
121200	Site Improvements
121300	Accumulated Depreciation – Site Improvements
<b>122000</b>	<b>BUILDINGS</b>
122100	Buildings
122200	Accumulated Depreciation – Buildings

## BALANCE SHEET ACCOUNTS

<u>CODE</u>	<u>TITLE</u>
<b>123000</b>	<b>EQUIPMENT</b>
123100	Equipment
123200	Accumulated Depreciation – Equipment
<b>124000</b>	<b>CONSTRUCTION IN PROCESS</b>
<b>130000</b>	<b>OTHER DEBITS</b>
<b>131000</b>	<b>AMOUNT AVAILABLE IN DEBT SERVICE FUNDS</b>
<b>132000</b>	<b>AMOUNT TO BE PROVIDED FOR RETIREMENT OF GENERAL LONG TERM DEBT</b>
<b>200000</b>	<b>LIABILITIES</b>
<b>210000</b>	<b>CURRENT LIABILITIES</b>
211100	Interfund Loans Payable
211200	Interfund Accounts Payable
<b>213000</b>	<b>ACCOUNTS PAYABLE</b>
<b>214000</b>	<b>CONTRACTS PAYABLE</b>
<b>215000</b>	<b>CONSTRUCTION CONTRACTS PAYABLE</b>
215100	Construction Holdback
215200	Construction Accounts Payable
<b>216000</b>	<b>CURRENT PORTION – BONDS PAYABLE</b>
216100	Current Bonds Payable
216200	Matured Bonds Payable
216300	Unamortized Premiums on Bonds Sold
<b>217000</b>	<b>SALARIES/BENEFITS PAYABLE</b>
217100	Salaries Payable
217200	Benefits Payable
<b>218000</b>	<b>PAYROLL WITHHOLDING</b>
218100	Payroll Withholding
218200	Compensated Absence
<b>219000</b>	<b>CURRENT LOANS PAYABLE</b>
219100	Tax Anticipation Loan
219200	Interest Payable
219300	Lease Obligations – current



## BALANCE SHEET ACCOUNTS

<u>CODE</u>	<u>TITLE</u>
<b>220000</b>	<b>OTHER LIABILITIES</b>
<b>221000</b>	<b>DEFERRED REVENUES</b>
<b>222000</b>	<b>RETURNABLE DEPOSITS</b>
<b>223000</b>	<b>OTHER LIABILITIES</b>
223100	Sales Tax Payable
223200	Other Current Liabilities
<b>230000</b>	<b>NON-CURRENT LIABILITIES</b>
<b>231000</b>	<b>BONDS PAYABLE NON-CURRENT PORTION</b>
<b>232000</b>	<b>LOANS PAYABLE NON-CURRENT PORTION</b>
<b>233000</b>	<b>LEASE OBLIGATIONS</b>
<b>234000</b>	<b>ACCUMULATED COMPENSATED ABSENCES</b>
<b>239000</b>	<b>OTHER NON-CURRENT LIABILITIES</b>
<b>300000</b>	<b>FUND EQUITY / FUND BALANCE</b>
<b>310000</b>	<b>RESERVED FUND BALANCES</b>
310500	Reserve for Retirement of Long Term Debt
310600	Reserve for Inventories
310700	Reserve for Prepaid Expenses
310800	Reserve for Encumbrances
310900	Other Reserves
<b>320000</b>	<b>UNRESERVED FUND BALANCES</b>
320100	Designated
320200	Undesignated
<b>330000</b>	<b>INVESTMENT IN GENERAL FIXED ASSETS</b>
<b>340000</b>	<b>CONTRIBUTED CAPITAL</b>
<b>350000</b>	<b>RETAINED EARNINGS</b>

## **REVENUE ACCOUNTS**

## REVENUE ACCOUNTS

Revenues are additions to assets of a school district which do not increase a liability, do not represent the recovery of an expenditure, and do not represent the cancellation of a certain liability without a corresponding increase in other liabilities or a decrease in assets.

<u>CODE</u>	<u>TITLE</u>
<b>400000</b>	<b>REVENUES</b>
<b>410000</b>	<b>REVENUE FROM LOCAL SOURCES</b>
<b>411000</b>	<b>AD VALOREM TAXES – M &amp; O – GENERAL FUND</b>
411100	General M & O Levy
411200	Supplemental Levy
411300	Emergency Levy
411400	Tort Levy
411500	Cooperative Levy
411600	Tuition Levy
411700	Migratory Worker Levy
411900	Other Local Tax Levies
<b>412000</b>	<b>AD VALOREM TAXES – OTHER FUNDS</b>
412100	School Plant Facilities Levy
412500	School Bond & Interest Levy
<b>413000</b>	<b>PENALTY &amp; INTEREST ON DELINQUENT TAXES</b>
<b>414000</b>	<b>TUITION</b>
414100	Tuition From Individuals
414200	Tuition From Districts in Idaho
414300	Tuition From Out of State Districts
<b>415000</b>	<b>EARNINGS ON INVESTMENTS</b>
415100	Earnings on Investments
415200	Gains or Losses on Sales of Investments
<b>416000</b>	<b>FOOD SERVICES</b>
416100	School Food Service
416200	Lunch Sales – Non-Reimbursable
416900	Other Food Sales
<b>417000</b>	<b>STUDENT BODY ACTIVITIES</b>
417100	Admissions, Activities
417200	Bookstore Sales
417300	Clubs & Organizations Dues, & Collections
417400	School Fees and Charges
417900	Other Student Revenue

## REVENUE ACCOUNTS

<b><u>CODE</u></b>	<b><u>TITLE</u></b>
<b>418000</b>	<b>COMMUNITY ACTIVITY</b>
418100	Community Service
<b>419000</b>	<b>OTHER LOCAL SERVICE</b>
419100	Rentals
419200	Contributions and Donations
419300	Transportation Fees
419900	Other Local
<b>420000</b>	<b>REVENUE FROM INTERMEDIATE SOURCES</b>
429000	Other County Aid
<b>430000</b>	<b>REVENUE FROM STATE SOURCES</b>
<b>431000</b>	<b>SCHOOL SUPPORT PROGRAMS</b>
431100	Base Support
431200	Transportation Support
431400	Exceptional Child Support
431500	Border Tuition Support
431600	Tuition Equivalency Support
431800	Benefit Apportionment
431900	Other State Support
<b>432000</b>	<b>RESTRICTED STATE SUPPORT</b>
432100	Driver Education
432400	Professional Technical Program
432600	State School Lunch
<b>437000</b>	<b>LOTTERY REVENUE/SCHOOL FACILITY STATE MATCH</b>
<b>438000</b>	<b>REVENUE IN LIEU OF TAXES</b>
<b>439000</b>	<b>OTHER STATE REVENUE</b>
<b>440000</b>	<b>REVENUE FROM FEDERAL SOURCES</b>
442000	<b>Indirect Unrestricted Federal</b>
443000	<b>Direct Restricted Federal</b>
<b>445000</b>	<b>RESTRICTED GRANTS, INDIRECT</b>
445100	Title 1 – ESEA
445200	Title VI, ESEA – Innovative Practices Program
445300	Perkins III – Vocational Technical Act
445400	Adult Education
445500	School Lunch Reimbursement
445600	<b>IDEA Part B</b> <i>(name change from Title VI-B IDEA)</i>
445900	Other Indirect Restricted Federal

## REVENUE ACCOUNTS

<b><u>CODE</u></b>	<b><u>TITLE</u></b>
<b>448000</b>	<b>REVENUE IN LIEU OF TAXES, DIRECT</b>
448200	Impact Aid (P. L. 874)
<b>450000</b>	<b>OTHER SOURCES</b>
451000	Proceeds: Bond Sales, Capital Leases...
453000	Sale/Compensation For Loss Of Fixed Assets
<b>460000</b>	<b>TRANSFERS - INTERFUND</b>

## **EXPENDITURE ACCOUNTS**

## EXPENDITURE ACCOUNTS

The 6 digit expenditure account codes actually consist of 3 elements:

ACCOUNTS		
FUNCTION	PROGRAM	OBJECT
X	XX	XXX

### X – FUNCTIONS

<u>5</u> 00000	INSTRUCTION
<u>6</u> 00000	SUPPORT SERVICES
<u>7</u> 00000	NON-INSTRUCTIONAL SERVICES
<u>8</u> 00000	FACILITY ACQUISITION
<u>9</u> 00000	OTHER SERVICES

### XX – PROGRAMS

<u>5</u> 12000	ELEMENTARY PROGRAM
<u>5</u> 15000	SECONDARY PROGRAM
<u>6</u> 32000	DISTRICT ADMINISTRATION PROGRAM
<u>8</u> 10000	FACILITY ACQUISITION PROGRAM

### XXX – OBJECTS

<u>0</u> 00100	SALARIES
<u>0</u> 00200	BENEFITS
<u>0</u> 00300	PURCHASED SERVICES
<u>0</u> 00400	SUPPLIES & MATERIALS
<u>0</u> 00500	CAPITAL OBJECTS
<u>0</u> 00600	DEBT RETIREMENT
<u>0</u> 00700	INSURANCE - JUDGMENT
<u>0</u> 00800	TRANSFERS

### Coding Examples:

515100	Instruction – Secondary School Program – Regular Salary
681420	Support Services – Transportation Program – Supplies (Fuel)
512440	Instruction – Elementary Program – Textbooks

## EXPENDITURE ACCOUNTS

### FUNCTION/PROGRAM CODES

The FUNCTIONS of a school district describe the activity or tasks for which services or material objects are acquired. The FUNCTIONS for school district budgeting and reporting are classified into five broad areas: Instruction, Support Services, Non-Instruction Services, Facility Acquisition Services, and Other Services.

The PROGRAMS of a school district describe a plan and organization of activities and procedures designed to accomplish a predetermined objective or set of objectives. PROGRAMS are identified and listed as sub-classifications of each major FUNCTION.

<u>CODE</u>	<u>FUNCTION/PROGRAM</u>
<b>500</b>	<b>INSTRUCTION</b>
<b>510</b>	<b>REGULAR SCHOOL PROGRAMS</b>
512	Elementary School Program
515	Secondary School Program
517	Alternative School Program
519	Vocational and Technical Program
<b>520</b>	<b>SPECIAL SCHOOL PROGRAMS</b>
521	Special Education Program (name change from Exceptional Child Program)
522	Special Education Preschool Program (name change from Preschool Exceptional Child Program)
524	Gifted & Talented Program
<b>530</b>	<b>ACTIVITY SCHOOL PROGRAM</b>
531	Interscholastic Program
532	School Activity Program
<b>540</b>	<b>OTHER SCHOOL PROGRAMS</b>
541	Summer School Program
542	Adult School Program
546	Detention Center Program
<b>600</b>	<b>SUPPORT SERVICES</b>
<b>610</b>	<b>PUPIL SUPPORT SERVICES</b>
611	Attendance, Guidance & Health Program
616	Special Education Support Services Program (name change from Special Services Program)
<b>620</b>	<b>STAFF SUPPORT SERVICES</b>
621	Instructional Improvement Program
622	Educational Media Program
623	Instructional Related Technology



## **EXPENDITURE ACCOUNTS**

<b>630</b>	<b>GENERAL ADMINISTRATIVE SERVICES</b>
631	Board of Education
632	District Administration Services
<b>640</b>	<b>SCHOOL ADMINISTRATIVE SERVICES</b>
641	School Administration Program
<b>650</b>	<b>BUSINESS ADMINISTRATIVE SERVICES</b>
651	Business Operations Program
655	Central Service Program
656	Administrative Technology Services
<b>660</b>	<b>OPERATIONS SERVICES</b>
661	Buildings – Care Program (Custodial)
663	Maintenance – Bldgs. & Equipment (Non-Student-Occupied)
664	Maintenance – Bldgs. & Equipment (Student-Occupied)
665	Maintenance – Grounds
667	Security / Safety Program
<b>680</b>	<b>TRANSPORTATION SERVICES</b>
681	Pupil-To-School Transportation Program
682	Pupil-Activity Transportation Program
683	General Transportation Program
<b>690</b>	<b>OTHER SERVICES</b>
691	Other Support Services Program
<b>700</b>	<b>NON-INSTRUCTIONAL SERVICES</b>
<b>710</b>	<b>FOOD SERVICES PROGRAM</b>
<b>720</b>	<b>COMMUNITY SERVICES PROGRAM</b>
730	Enterprise Operations
790	Refund of Prior Year Revenues/Receipts
<b>800</b>	<b>FACILITY ACQUISITION SERVICES</b>
810	Capital Assets Program [Qualifying per Idaho Code 33-1019(3)]
811	Capital Assets Program [Non-Qualifying per Idaho Code 33-1019(3)]
<b>900</b>	<b>OTHER SERVICES</b>
<b>910</b>	<b>DEBT SERVICES PROGRAM</b>
911	Debt Services Program – Principal
912	Debt Services Program – Interest
<b>920</b>	<b>FUND TRANSFERS</b>

(Function/Program code 950 may be used as a contingency reserve for budgeting purposes only.)

The Function/Programs identified above provide the base for school budgeting, accounting, and financial reporting required by the State. Local school districts may add Programs to their system to obtain greater cost detail. Such added Programs should be classified logically in the structure, i.e., Intermediate Programs within the REGULAR SCHOOL PROGRAMS or specific programs for Attendance, Guidance, or Health with the PUPIL SUPPORT SERVICES.

## **EXPENDITURE ACCOUNTS**

### **OBJECT CODES**

An OBJECT is the service or commodity received as the result of a specific expenditure by the school district or by another entity on behalf of the school district. Eight major categories shall be used by the school district in budget development and financial reporting to the State. The local school district may sub-divide the major categories to obtain more specific detail for their internal accounting purposes.

<b><u>CODE</u></b>	<b><u>OBJECTS</u></b>
<b>100</b>	<b>SALARIES</b>
110	Certified Regular Employee
115	Non-Certified Regular Employee
160	Certified Temporary Employee
165	Non-Certified Temporary Employee
170	Leave Payment
<b>200</b>	<b>BENEFITS</b>
210	Retirement
220	Social Security
230	Life Insurance
240	Health Insurance
250	Unemployment Insurance
260	Physical Examinations – Employees
270	Workmen’s Compensation Insurance
280	Sick Pay – Retirement Payments
290	Other Employee Benefits
<b>300</b>	<b>PURCHASED SERVICES</b>
310	Professional and Technical Services
320	Property Services
321	Rental of Buildings
322	Equipment Rental
323	Transportation Equipment Rental
330	Utilities
340	Transportation – Contracted
350	Communications
360	Data Processing
370	Tuition
380	Travel Expenses
390	Other Purchased Services (Dues & Fees)

## **EXPENDITURE ACCOUNTS**

<b><u>CODE</u></b>	<b><u>OBJECTS</u></b>
<b>400</b>	<b>SUPPLIES/MATERIALS</b>
410	Supplies – General
420	Supplies – Transportation
430	Media – Audio Visual – Library
440	Textbooks
450	Foods
490	Other Miscellaneous Supplies
<b>500</b>	<b>CAPITAL OBJECTS</b>
510	Sites
520	Site Components
530	Buildings
540	Building Components
550	Equipment
560	Vehicles
580	Depreciation
590	Other Capital Objects
<b>600</b>	<b>DEBT RETIREMENT</b>
610	Principal Payments
620	Interest Payments
630	Other Debt Service
<b>700</b>	<b>INSURANCE &amp; JUDGMENTS</b>
710	Property and Liability
720	Surety Bonding
730	Judgments
<b>800</b>	<b>TRANSFER OF FUNDS</b>
810	Transfer to Other Funds
850	Contingency Reserve

The OBJECTS identified above provide the base for school budgeting, accounting, and financial reporting required by the State. Local school districts may add Objects to their system to obtain greater cost detail. Such added Objects should be classified logically in the structure, i.e., Heat, Electricity, Sewer would be classified under Utilities (330).

## **COST CENTER LOCATION CODES**

Schools districts may budget and control costs by using cost centers. These cost centers most logically are the district's buildings. It is recommended that the district use the building designation numbers as reported for the Attendance Reporting System.

<b><u>CODE</u></b>	<b><u>BUILDINGS</u></b>
000-099	Non-Instructional Buildings (Administrative or Service)
100-199	Elementary Schools (K-6 or any combination of K-6)
200-299	Jr. High Schools (7-9 or any combination of 7-9)
300-399	3-Year High Schools (10-12)
400-499	4-Year High Schools (9-12)
500-599	Jr.-Sr. High Schools (7-12 or 8-12)
600-699	Misc. Combination (Middle School 5-7 or any combination of elementary and secondary, 1-8)
700-799	All Grade Levels (buildings housing 1-12 or K-12)
800-899	(Presently being used for nonpublic schools)
900-969	Nonpublic Agencies providing Special Education Services
971-989	Nonpublic Agencies (out-of –state) providing Special Education
990-995	Elementary Schools in Border Districts (K-6)
996-999	Secondary Schools in Border Districts (7-12)

### **Coding Example:**

100-512110-101      General Fund Expenditure for regular employee salaries in the Instructional Function of the Regular Elementary Program being held at Building #101.

## **SUBJECT MATTER/PROJECT CODES**

School districts may wish to accumulate cost data by SUBJECT MATTER or PROJECTS. These costs may be specifically defined at the district level and a designation code assigned. The accounting personnel should be consistent in defining and coding these projects for future reference and/or comparison. The state does not require this additional information, but the following subject matter codes should be reserved and considered if project/subject matter designations are made.

### **SUBJECT MATTER**

<b><u>CODE</u></b>	<b><u>SUBJECTS</u></b>
010	Agriculture
020	Art
030	Business
040	Distributive Education
050	English Language Arts
060	Foreign Languages
070	Health Occupations Education
080	Health and Safety in Daily Living, Physical Education and Recreation
090	Home Economics
100	Industrial Arts
110	Mathematics
120	Music
130	Natural Sciences
140	Social Sciences
150	Technical Education
160	Trades and Industrial Occupations
170	General Elementary/Secondary Education
180	Differentialized Curriculum for Handicapped Students
200	Cocurricular Activities
210	Safety and Driver Education
220	Junior ROTC

### **PROJECTS**

<b><u>CODE</u></b>	<b><u>SUBJECTS</u></b>
300	Coded according to local district decision

## FISCAL YEAR CODE

A school district may wish to accumulate cost data by fiscal year, July 1 through June 30. A single digit code may provide for this identification.

The last digit of the year in which the fiscal year closed provides the code identification; the fiscal year ending June 30, 2009, would be coded as year 9.

Example:

<u>Fund</u>	<u>Acct.</u>	<u>Location</u>	<u>Project</u>	<u>Year</u>
253	512115	104	000	9

The coding above identifies for Title 1-C, Migrant, an elementary teacher's aide salary expenditure in building #104 during the fiscal year ending June 30, 2009.

## **DEFINITION OF FUNDS**



## DEFINITION OF FUNDS

<u>CODE</u>	<u>GOVERNMENTAL FUNDS</u> <u>FUNDS</u>
100	<b>GENERAL M&amp;O FUND.</b> This fund is the chief operating fund of the school district. It is used to account for all financial resources of the school district except for those required to be accounted for in another fund.
200	<b>SPECIAL REVENUE FUNDS.</b> These funds account for the proceeds of specific revenue sources (other than trusts and major capital projects) that are legally restricted to expenditure for specified purposes.
220	<b>Forest Reserve Fund.</b> This fund accounts for the revenues from the Idaho State Treasurer's office and from the Treasurer of the U.S. for Federal Forest Reserves. These funds may be retained, accumulated and expended for: the purchase of school sites; the construction and remodeling of school buildings; and provided, that when, within the discretion of the trustees, such moneys are not so needed they may be expended for current expenses (57-1301 to 1305).
230-239	<b>Special Project Fund (Local).</b> These funds account for the revenues from local or county agencies which are made available to school districts for special projects, and which may not be properly accounted for in any other fund.
240-249	<b>Special Project Fund (State).</b> These funds account for the revenues from state agencies which are made available to school districts for special projects.
250-289	<b>Special Project Fund (Federal).</b> These funds account for the revenues from federal agencies which are made available to school districts for special projects and on which limitations of expenditures are prescribed by federal law, regulation or direction.
290	<b>Child Nutrition Fund.</b> This fund accounts for all financial transactions of the school food service program in compliance with local, state, and federal laws or regulations.

## DEFINITION OF FUNDS

<u>CODE</u>	<u>GOVERNMENTAL FUNDS</u> <u>FUNDS</u>
300	<b>DEBT SERVICE FUNDS.</b> This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.
310	<b>Bond Interest And Redemption Fund.</b> This fund accounts for revenues from tax levies for the liquidation of bonded indebtedness (33-802) and for payment of principal and interest on all general obligation bonds. (Sub-funds may be used to account for multiple general obligation issues.)
400	<b>CAPITAL PROJECTS FUNDS.</b> This fund is used to account for financial resources to be used to acquire or construct major capital facilities. The most common source of capital projects funding is the sale of bonds or other capital financing instruments.
410	<b>Capital Construction Projects Fund.</b> This fund is used to account for the financial resources to be used to acquire or construct major capital facilities. The most common source of capital projects funding is the sale of bonds.
420-427	<b>School Plant Facilities Reserve Fund.</b> This fund is used to account for all revenues accruing from: taxes levied (33-804), interest accruing from investments of any money in the fund, and any money allowed for depreciation of school plant facilities as appropriated from the General Fund. Expenditures from this fund may be made for the purposes for which general obligation bonds are issued (33-1102), and for lease and lease purchase agreements and other agreements as authorized (33-901).
490	<b>Insurance Adjustment Fund.</b> This fund is used to account for the proceeds from insurance claims which equal \$5,000 or more and are received for the loss on real property.

## DEFINITION OF FUNDS

<u>CODE</u>	<u>PROPRIETARY FUNDS</u> <u>FUNDS</u>
500	<b>ENTERPRISE FUNDS.</b> This fund may be used to account for any activity for which a fee is charged to external users for goods and services. (If activity is immaterial, the Idaho Department of Education recommends using a special revenue fund.)
600	<b>INTERNAL SERVICE FUNDS.</b> This fund may be used to account for any activity within the school district that provides goods or services to other funds, departments, etc. on a cost-reimbursement basis. The use of an internal service fund is appropriate only for activities in which the school district is the predominant participant in the activity. Otherwise, the activity should be reported as an enterprise fund.
610	<b>Internal Services (Local).</b> This fund could include activities providing for central warehousing and purchasing, central data processing, and central printing. (If activity is immaterial, the Idaho Department of Education recommends using a special revenue fund.)
700	<b>FIDUCIARY FUNDS.</b> These funds account for assets held by a school district in a trustee capacity for others and that therefore cannot be used to support the school district's own programs. Trust funds are generally accounted for using the economic resources measurement focus and the accrual basis of accounting
730	<b>Private Purpose Trust Fund.</b> This fund is used to account for all other trust arrangements under which the principal and income benefit individuals, private organizations, or other governments.
750	<b>Student Activity Fund.</b> This agency fund is custodial in nature and is used to account for assets received for, and disbursed to, school related activities such as publications, clubs, student organizations, and other student activities. The accounts of this fund are generally operated for the benefit of students, are governed by school policy, are supervised by school district staff members, and are accountable to the board of trustees.

## DEFINITION OF FUNDS

### **CODE**

- 800      **CAPITAL ASSET INVENTORY.** (Deleted with implementation of GASB 34.) A self-balancing account for property, plant, and equipment owned by the school district.
- 900      **LONG-TERM DEBT.** (Deleted with implementation of GASB 34.) A self-balancing account established to account for unmatured long-term debt. Debt can be in the form of bonds, loans, notes payable, long-term leases, and any other long-term obligation.

## **DEFINITION OF ACCOUNTS**

### **BALANCE SHEET**

## DEFINITION OF ACCOUNTS

<u>CODE</u>	<u>ASSETS</u>
100000	<b>ASSETS AND OTHER DEBITS.</b> The resources owned or held by a school district which have a monetary value. Any owned object (tangible) or right (intangible) having a value to the school district. This classification also includes other debits used to balance the account groups.
110000	<b>CURRENT ASSETS.</b> Cash and other assets expected to be converted to cash or consumed within the budget year.
111000	<b>Cash.</b> A summary account for accumulating the sum of the entries to the following detailed accounts:
111100	<b>Cash In Bank.</b> All funds on deposit with a bank or savings and loan institution, normally in non-interest bearing-accounts. Interest-bearing accounts, however, that do not meet the definition of an investment (e.g., demand deposits that are interest-bearing) should be recorded herein as well.
111200	<b>Cash on Hand.</b> Currency, coins, checks, postal and express money orders, and bankers' drafts on hand.
111300	<b>Petty Cash.</b> A sum of money set aside to pay small obligations for which the issuance of a formal voucher and check would be too expensive and time-consuming.
111400	<b>Cash With Fiscal Agents.</b> Deposits with fiscal agents, such as commercial banks, for paying matured bonds and interest.
112000	<b>Investments.</b> A summary account for accumulating the sum of the entries to the following detailed accounts:
112100	<b>Investments.</b> Securities and real estate held for producing income in the form of interest, dividends, rentals, or lease payments. Investments should be presented at fair value as of the reporting date. Gains and losses from changes in the fair value of investments are recorded using revenue account 415200. The account does not include capital assets used in school district operations. Separate accounts for each category of investments may be maintained.
112200	<b>Unamortized Premiums on Investments.</b> The excess of the amount paid for securities over the face value that has not yet been amortized. Use of this account is restricted to short-term money market investments.
112300	<b>Unamortized Discounts on Investments (Credit).</b> The excess of the face value of securities over the amount paid for them that has not yet been written off. Use of this account is restricted to short-term investments.
113000	<b>Taxes Receivable.</b> A summary account for accumulating the sum of the entries to the flowing detailed accounts:

- 113100 **Taxes Receivable.** The uncollected portion of taxes that a school district or government unit has levied and that has become due, including any interest or penalties that may be accrued. Separate accounts may be maintained on the basis of tax roll year, current and delinquent taxes, or both.
- 113110 **Allowance for Uncollectible Taxes (Credit).** The portion of taxes receivable estimated not to be collected. The account is shown on the balance sheet as a deduction from the Taxes Receivable account to arrive at the net taxes receivable. Separate accounts may be maintained on the basis of tax roll year, delinquent taxes, or both.
- 114000 **Other Receivables.** A summary account for accumulating the sum of the entries to the following accounts:
- 114100 **Intergovernmental Accounts Receivable.** Amounts due to the school district from another governmental unit. These amounts may represent grants-in-aid, shared taxes, taxes collected for the school district by another unit, loans, and charges for services rendered by the school district for another government. It is recommended that separate accounts be maintained for each interagency receivable.
- 114200 **Interfund Accounts Receivable.** An asset account used to indicate amounts owed to a particular fund by another fund in the same school district for goods sold or services rendered. It is recommended that separate accounts be maintained for each interfund receivable.
- 114300 **Interest Receivable on Investments.** The amount of interest receivable on investments, excluding interest purchased.
- 114400 **Loans Receivable.** Amounts that have been loaned to persons or organizations, including notes taken as security for such loans, where permitted by statutory authority.
- 114500 **Other Accounts Receivable.** Amounts owing on open account from private persons, firms, or corporations for goods and services furnished by a school district (but not including amounts due from other funds or from other governmental units).
- 115000 **Inventories.** A summary account for accumulating the sum of the entries to the following detailed accounts:
- 115100 **Materials and Supplies – General.** The cost of supplies and equipment on hand not yet distributed to requisitioning units.
- 115200 **Food Service Inventory.** Food and supplies held by the food service program for future consumption.
- 116000 **Other Current Assets.** A summary account for accumulating the sum of the entries to the following detailed accounts:
- 116100 **Prepaid Expenses.** Expenditures/expenses paid for benefits not yet received. Prepaid expenses differ from deferred charges in that they are spread over a shorter period of time than deferred charges and are regularly recurring costs of operation. Examples of prepaid expenses are prepaid rent, prepaid interest, and unexpired insurance premiums.

- 116200 **Deposits.** Funds deposited by the school district as prerequisite to receiving services, goods, or both.
- 116300 **Other Current Assets.** Current assets not provided for elsewhere.
- 120000 **FIXED CAPITAL ASSETS.** Those assets that the school district intends to hold or continue in use over a long period of time. Specifically, capital assets including land, improvements to land, easements, buildings and building improvements, vehicles, machinery, equipment, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives that extend beyond a single reporting period.
- 121000 **SITES.** A summary account for accumulating the sum of the entries to the following detailed accounts:
- 121100 **Land and Land Improvements.** A capital asset account that reflects the acquisition value of land owned by a school district. If land is purchased, this account includes the purchase price and costs such as legal fees, filling and excavation costs, and other associated improvement costs incurred to put the land in condition for its intended use. If land is acquired by gift, the account reflects its fair value at the time of acquisition. Further, permanent improvements to land, such as grading and fill, etc. should be accounted for in this account.
- Land and land improvements are considered nonexhaustible assets owing to their significantly long expected useful life. Nonexhaustible assets are not to be depreciated. Therefore, all assets classified by asset code 121100 will not result in a depreciation expense.
- 121200 **Site Improvements.** A capital asset account that reflects the value of non-permanent improvements to building sites, other than buildings, that add value to land. Examples of such improvements are fences, retaining walls, sidewalks, pavement, gutters, tunnels, and bridges. If the improvements are purchased or constructed, this account contains the purchase or contract price. If improvements are obtained by gift, it reflects the fair value at time of acquisition.
- 121300 **Accumulated Depreciation on Site Improvements.** Accumulated amounts for the depreciation of site improvements.
- 122000 **BUILDINGS.** A summary account for accumulating the sum of entries to the following detailed accounts:
- 122100 **Buildings and Building Improvements.** A capital asset account that reflects the acquisition value of permanent structures used to house persons and property owned by the school district. If buildings are purchased or constructed, this account includes the purchase or contract price of all permanent buildings and the fixtures attached to and forming a permanent part of such buildings. This account includes all building improvements, including upgrades made to building wiring for technology. If buildings are acquired by gift, the account reflects their fair value at the time of acquisition.



- 122200 **Accumulated Depreciation on Buildings and Building Improvements.** Accumulated amounts for depreciation of buildings and building improvements.
- 123000 **EQUIPMENT.** A summary account for accumulating the sum of the entries to the following detailed accounts:
- 123100 **Machinery and Equipment.** Tangible property of a more or less permanent nature, other than land, buildings, or improvements thereto, that is useful in carrying on operations. This includes property under capital leases. Examples are machinery, tools, trucks, cars, buses, computers, purchased software, furniture, and furnishings.
- 123200 **Accumulated Depreciation on Machinery and Equipment.** Accumulated amounts for depreciation of machinery and equipment. (The recording of depreciation is optional in the general fixed assets account group and required in the proprietary funds.)
- The requirements in GASB Statement #34 allow accumulated depreciation to be netted against capital assets or reported separately on the Statement of Net Assets. The Idaho Department of Education requests that accumulated depreciation be shown separately on the Statement of Net Assets.**
- 124000 **CONSTRUCTION IN PROGRESS.** The cost of construction work undertaken but not yet completed. Separate accounts should be maintained for each project.
- 130000 **OTHER DEBITS.** Offsetting accounts which normally have a debit balance:
- 131000 **Amount Available In Debt Service Funds.** An account in the General Long Term Debt Account Group which designates the amount of fund balance available in the Debt Service Fund for the retirement of long-term debt.
- 132000 **Amount To Be Provided For Retirement Of General Long Term Debt.** An account in the General Long Term Debt Account Group that designates the amount to be provided from taxes or other revenue to retire long term debt. This account reflects the amount due in future years from taxes for the payment of bonds.
- 200000 **LIABILITIES.** The debts and other legal obligations of the school district which are payable within one year (current) or more than one year (non-current).
- 210000 **CURRENT LIABILITIES.** Those debts the school district expects to pay within a short-period of time, usually within one year or less.
- 211000 **Interfund Loans Payable.** A summary account for accumulating the sum of the entries to the following detailed accounts:

- 211100 **Interfund Loans Payable.** A liability account used to record a debt owed by one fund to another fund of the same school district. Such debts can be for cash advanced, goods or services rendered, or for reimbursements of a fund which has made payments on behalf of another fund. It is recommended that separate accounts be maintained for each interfund loan.
- 211200 **Interfund Accounts Payable.** A liability account used to indicate amounts owed by a particular fund and services rendered. It is recommended that separate accounts be maintained for each interfund payable.
- 213000 **ACCOUNTS PAYABLE.** Liabilities on open account owing to private persons, firms or corporations for goods and services received by a school district (but not including amounts due to other funds of the same school district or to other governmental units).
- 214000 **CONTRACTS PAYABLE.** Amounts due on contracts for assets, goods, and services received by a school district. Examples include Audit Contract Payable and Bus Contracts Payable. Do not include Salary Contracts Payable in this account.
- 215000 **CONSTRUCTION CONTRACTS PAYABLE.** A summary account for accumulating the sum of entries to the following detailed accounts:
- 215100 **Construction Contracts Payable – Retainage.** Liabilities on account of construction contracts for that portion of the work that has been completed but on which part of the liability has not been paid pending final inspection, or the lapse of a specified time period, or both. The unpaid amount is usually a stated percentage of the contract price.
- 215200 **Construction Contracts Payable.** Amounts due by a school district on contracts for constructing buildings and other structures, and other improvements.
- 216000 **CURRENT PORTION – BONDS PAYABLE.** A summary account for accumulating the sum of the entries to the
- 216100 **Bonds Payable – Current Portion.** Bonds that have not reached or passed their maturity date but are due within one year or less.
- 216200 **Matured Bonds Payable.** Bonds that have reached or passed their maturity date but that remain unpaid.
- 216300 **Unamortized Premiums on Bonds Sold.** An account that represents that portion of the excess of bond proceeds over par value and that remains to be amortized over the remaining life of such bonds.
- 217000 **SALARIES/BENEFITS PAYABLE.** A summary account for accumulating the sum of the entries to the following detailed accounts:

- 217100 **Accrued Salaries Payable.** Salary costs incurred during the current accounting period that are not payable until a subsequent accounting period. (The salaries of teachers and other contracted employees to be paid during July and August which were earned in the current fiscal year.)
- 217200 **Accrued Benefits Payable.** Fringe benefit costs incurred during the current accounting period that are not payable until a subsequent accounting period. (Employer paid benefits, such as insurance, that will apply to the salaries identified above in account 217100, Accrued Salaries Payable.)
- 218000 PAYROLL WITHHOLDING/COMPENSATED ABSENCES**
- 218100 **Payroll Withholding.** Amounts deducted from employees' salaries for withholding taxes and other purposes. District-paid benefits amounts payable are also included. A separate liability account may be used for each type of benefit.
- 218200 **Compensated Absences – Current.** Compensated absences that will be paid within one year.
- 219000 CURRENT LOANS PAYABLE.** A summary account for accumulating the sum of the entries to the following detailed accounts:
- 219100 **Tax Anticipation & Loans Payable.** Short-term obligations representing amounts borrowed for short periods of time, usually evidenced by notes payable or warrants payable.
- 219200 **Interest Payable.** Interest due within one year.
- 219300 **Lease Obligations – Current.** Capital lease obligations which are due within one year.
- 220000 OTHER LIABILITIES.** A summary account for accumulating the sum of the entries to the following detailed accounts:
- 221000 DEFERRED REVENUES.** A liability account that represents revenues collected before they become due.
- 222000 DEPOSITS PAYABLE.** Liability for deposits received as a prerequisite to providing or receiving services, goods, or both.
- 223000 OTHER CURRENT LIABILITIES.** A summary account for current liabilities not provided for elsewhere.
- 223100 **Sales Taxes Payable.** State sales tax collected on goods sold and not yet remitted.
- 223200 **Other Current Liabilities.** Other current liabilities not provided for elsewhere.
- 230000 NON-CURRENT LIABILITIES.** Obligations of the school district with a maturity of more than one year.
- 231000 BONDS PAYABLE – NON-CURRENT.** Bonds that have not reached or passed their maturity date and that are not due within one year.

- 232000 LOANS PAYABLE – NON-CURRENT.** An unconditional written promise signed by the maker to pay a certain sum of money one year or more after the issuance date.
- 233000 CAPITAL LEASE OBLIGATIONS.** The amounts remaining to be paid on capital lease agreements.
- 234000 ACCUMULATED COMPENSATED ABSENCES.** Amounts remaining beyond the period of one year to be paid on compensated absences balances.
- 239000 OTHER LONG TERM LIABILITIES.** Other long term liabilities not provided for elsewhere. This account represents amounts due after more than one year from the balance sheet date for advances from other funds and certain miscellaneous liabilities, including workers compensation, self funded insurance, and legal claims and judgments.
- 300000 FUND BALANCE.** These are accounts showing the excess of a fund over its liabilities. Portions of that balance may be reserved or designated for future use. Fund Balances may be classified as either reserved or unreserved. The unreserved portion may be further classified as designated or undesignated. (Note – designation can not be made in the entity wide statements.)
- 310000 RESERVED FUND BALANCES.** A reserve which represents the segregation of a fund balance to indicate that assets equal to the amount of the reserve are tied up and are, therefore, not available for appropriation.
- 310600 Reserve for Inventories.** A reserve representing portion of a fund balance segregated to indicate that assets equal to the amount of the reserve are invested in inventories and are, therefore, not available for appropriation.
- 310900 Other Reserve and Fund Balance.** A reserve representing that portion of a fund balance segregated to indicate that assets equal to the amount of the reserve are obligated and are, therefore, not available for appropriation. It is recommended that a separate reserve be established for each special purpose.
- 320000 UNRESERVED FUND BALANCES.** The excess of the assets of a fund over its liabilities, fund reserves, and designations.
- 320100 Designated Fund Balance.** A designation representing that portion of a fund balance segregated to indicate that assets equal to the amount of the designation have been ear-marked for a bono-fide purpose in the future.

- 320200      Unreserved Fund Balance.** The fund balance remaining after reduction for reserved and designated balances.
- 330000      INVESTMENT IN GENERAL FIXED ASSETS.** This account is used to record the net asset component invested in capital assets, net of related debt, which represents total capital assets less accumulated depreciation less debt directly related to capital assets. **This account is to be used in proprietary funds only.**
- 350000      RETAINED EARNINGS.** This account is used to record the net asset component-unrestricted net assets-which represents net assets not classified in 330000. **This account is to be used in proprietary funds only.**

## **DEFINITION OF ACCOUNTS**

### **REVENUE ITEMS**

## REVENUES

Revenues are defined in general as: (1) Increases in governmental fund type net current assets without a corresponding increase in liabilities; (2) Increase in proprietary fund type total net assets without a corresponding increase in liabilities.

Revenues are classified as local, state or federal sources:

Revenue from local sources is the amount of money produced within the boundaries of the school district and available to the school district for its use. It includes tax revenues and other intergovernmental revenues collected by another governmental unit, local tax collector or agent of the school district (net of collection fees). Local source revenues also include investment income, cafeteria revenues, student activity revenues, rental receipts, donations, and gifts.

Revenue from state sources includes grants, subsidies, contracts and entitlements received from the Idaho Department of Education. This revenue includes basic instructional and operational subsidies, specific educational program subsidies, non-educational program subsidies, state reimbursements for school employee benefits, non-public program funding, vocational training for adults, and school milk, lunch and breakfast programs. Much of this revenue is based on average daily attendance, local equalization and legislated distribution formulas. State revenues received from the Idaho Department of Education that are not part of the public school appropriation such as lottery dividends, should be recorded as other state revenue.

Revenue from federal sources includes grants, subsidies, contracts and entitlements received either directly from the federal government offices or through the state. This money is generally program specific with program reporting requirements attached to each program. In determining whether a revenue is a federal revenue, it is unimportant whether the funds are distributed directly to the LEA by the federal government or through some intervening state agency. Federal revenue will have a Catalog of Federal Domestic Assistance (CFDA) number and could be received from the federal government, state government, local government or another public school.

### **Other Financing Sources**

Other Financing Sources are not classified as revenues in most fund types because the receipts are to be earned by the school district. Other financing sources for a public school include proceeds from long-term debt financing agreements, receipt from other funds of the school, refunds of prior years' expenditures and proceeds from the sale or compensation for the loss of fixed assets.

## DEFINITION OF ACCOUNTS

<u><b>CODE</b></u>	<u><b>REVENUE ITEMS</b></u>
<b>410000</b>	<b>REVENUE FROM LOCAL SOURCES.</b> The amount of revenue raised, earned, or received through local effort of the school district and available to the school district for its use.
<b>411000</b>	<b>AD VALOREM TAXES – M&amp;O – GENERAL FUND.</b> Revenue from a tax levy certified against the market valuation of property in the school district. (Sub-accounts are used to record the revenue raised from each specific levy.)
411100	<b>General M &amp; O (33-802).</b> Revenue from a tax levy to support the annual general maintenance and operation fund.
411200	<b>Supplemental Levy (33-802).</b> Revenue from a tax levy approved by the electorate of the school district to be used as an addition to the revenue for the annual General M & O Fund.
411300	<b>Emergency Levy (33-805).</b> Revenue from a tax levy certified by the Board of Trustees to the Board of County Commissioners for tax assistance to offset an enrollment increase and to be used in the General M & O Fund.
411400	<b>Tort Levy (6-927).</b> Revenue from a tax levy certified by the Board of Trustees to the County Commissioners to provide for a comprehensive liability insurance plan in the General M & O Fund.
411500	<b>Cooperative Service Levy (33-317).</b> Revenue from a tax levy approved by the electorate of participating districts for the purpose of providing specific educational services for the General M & O Fund.
411600	<b>Special Tuition Levy – (33-1408).</b> Revenue from a tax levy certified by the Board of Trustees of a school district to the County Commissioners for the purpose of paying tuition costs of students who are authorized to attend school in another school district in or out of the state. Revenue to be used in the General M & O Fund.
411700	<b>Migratory Worker Levy – (33-803).</b> Revenue from a tax levy certified by the board of trustees to the County Commissioners for the purpose of educating children of migratory farm workers. Revenue to be used in the General M & O Fund.
411900	<b>Other.</b> Other forms of taxes the school district levies/assesses that are not classified above.
<b>412000</b>	<b>AD VALOREM TAXES – OTHER FUNDS.</b> Revenue from a tax levy certified against the market valuation of property within the district and which shall be used for the specific purpose authorized.
412100	<b>School Plant Facilities – (33-804)</b> Taxes levied by a school district on the assessed value of real and personal property located within the school district that has been approved by the eligible voters of a school district for purpose(s) specified in the election.



- 412500 **School Bond and Interest Levy – (33-802) & (33-1101, 1125).** Taxes levied by a school district on the assessed value of real and personal property located within the school district that has been approved by two-thirds (2/3) of the eligible voters in the school district, collected for the purpose of redeeming general obligation bonds and to pay the interest accumulated on such bonds.
- 413000 **PENALTIES AND INTEREST ON DELINQUENT TAXES.** Revenue from penalties for the payment of taxes after the due date and the interest charged on delinquent taxes from the due date of actual payment of a penalty and/or interest added to the payment of taxes.
- 414000 **TUITION – INCOMING.** Revenue from individuals, welfare agencies, private sources, other schools, and other districts including in-state and out of state districts, for education provided by the school district.
- 414100 **Tuition From Individuals.** Revenue from individuals for education provided by the school district to students from other Idaho school districts or from individuals who are dually enrolled in more than one Idaho public school.
- 414200 **Tuition From Districts In Idaho.** Revenue from other Idaho districts and charter schools for education provided by the school district to students from other Idaho school districts and charter schools.
- 414300 **Tuition From Out of State Districts.** Revenue for education provided by Idaho school districts to students from non-Idaho school districts.
- 415000 **EARNINGS ON INVESTMENTS INTEREST**
- 415100 **EARNINGS ON INVESTMENTS.** Interest revenue on investments in U. S. Treasury and agency obligations, commercial paper, savings accounts, time certificates of deposit, mortgages, or other interest-bearing instruments.
- 415200 **Gains or Losses on Sales of Investments.** Gains or losses realized from the sale of bonds or stocks. Gains or losses represent the difference between sales proceeds and cost as of the date of sale. Also, record to the account any changes in fair value investment balances required by GASB Statement #31. (Generally, this account is used in proprietary fund accounting and reporting and entity-wide external financial reporting under GASB Statement #34.)
- 416000 **FOOD SERVICES.** Revenue for dispensing food to students and adults.
- 416100 **School Food Service.** Revenue from students for the sale of breakfasts, lunches, and milk that are considered reimbursable by the U. S. Department of Agriculture. Federal reimbursements should not be entered here. They are to be recorded under revenue account 445500.
- 416200 **Meal Sales – Non-Reimbursable – (A la Carte).** Revenue from students or adults for the sale of non-reimbursable breakfasts, lunches and milk. This category includes all sales to adults and a la carte sales.
- 416900 **Other Food Sales.** Revenue earned from the sale of food products and services considered special functions. Some examples are potlucks, PTA/PTO sponsored functions, and athletic banquets.

<b>417000</b>	<b>STUDENT BODY ACTIVITIES.</b> Revenue resulting from co-curricular and extra-curricular activities controlled and administered by the school district.
417100	<b>Admissions/Activities.</b> Revenue from patrons of a school-sponsored activity such as a concert or athletic event.
417200	<b>Bookstore Sales.</b> Revenue from sales by students or student sponsored bookstores.
417300	<b>Clubs and Organizations Dues &amp; Collections.</b> Revenue from students for membership in school sponsored clubs or organizations.
417400	<b>School Fees and Charges.</b> Revenue from students for fees such as locker fees, towel fees, and equipment fees. Transportation fees should be recorded in revenue account 419300.
417500	<b>Revenues from Enterprise Activities.</b> Revenue (gross) from vending machines, school stores, soft drink machines, and so on, not related to the regular food service program. These revenues are normally associated with activities at the campus level that generate incremental local revenue for campus use.
417900	<b>Other Student Revenue.</b> Other revenue from other student activities not identified in the above accounts.
<b>418000</b>	<b>COMMUNITY ACTIVITIES.</b> Revenue from community service activities operated by a district.
418100	<b>Community Service.</b> Revenue from community service activities operated by a school district. For example, revenue received from operation of a swimming facility by a school district as community service would be recorded here.
<b>419000</b>	<b>OTHER LOCAL SERVICES.</b> Other revenue from local sources not classified above.
419100	<b>Rentals.</b> Revenue from the rental of either real or personal property owned by the school district.
419200	<b>Contributions and Donations.</b> Revenue associated with contributions and donations made by private organizations. These organizations include, but are not limited to, educational foundations, PTA/PTO organizations, campus booster clubs, and private individuals.
419300	<b>Transportation Fees.</b> Revenue from individuals, welfare agencies, private sources, or other schools and government sources for transporting students to and from school and school activities.
419800	<b>Refund of Prior Year's Expenditures.</b> Expenditures that occurred last year that are refunded this year. If the refund and the expenditure occurred in the current year, reduce this year's expenditure as prescribed by GAAP.
419900	<b>Other Local.</b> Revenue from local sources not provided for elsewhere above.
<b>420000</b>	<b>REVENUE FROM INTERMEDIATE SOURCES.</b> Revenue collected by an administrative unit of governmental entity between the level of the school district and the state (e.g., county) and distributed to the school district.
429000	<b>Other County.</b> Other county revenue not itemized elsewhere.

<b>430000</b>	<b>REVENUE FROM STATE SOURCES.</b> The amount of revenue appropriated at the state level for the public schools and distributed to the eligible school districts as defined by law, regulation, or formula.
<b>431000</b>	<b>SCHOOL SUPPORT PROGRAM.</b> The amount of revenue from the state for the annual operation of the education support program. A breakdown of the support program may be recorded in sub-accounts as described in Chapter 10 of the Idaho Code.
<b>431100</b>	<b>Base Support Program.</b> The amount of entitlement from the educational support program for the annual general maintenance and operations, not including specific program assistance, i.e., transportation, exceptional contracts, etc.
<b>431200</b>	<b>Transportation Support.</b> The amount of entitlements for allowable school transportation cost which is added to the Base Support Program and is included in the total School Support Program.
<b>431400</b>	<b>Exceptional Child Support.</b> The amount of entitlement allowed for approved contracts for services provided exceptional children. This amount is added to the Base Support Program and is included in the School Support Program.
<b>431500</b>	<b>Border Tuition Support.</b> The amount of entitlement allowed for approved contracts with out-of-state school services to provide educational services to Idaho students. This amount is added to the Base Support Program.
<b>431600</b>	<b>Tuition Equivalency Support.</b> The amount of entitlement allowed a school district for non-resident special or regular students who are temporarily placed in a district residence. This amount is added to the Base Support Program and is included in the total School Support Program.
<b>431800</b>	<b>Benefit Apportionment.</b> The amounts paid by the State of Idaho for the school district's share of Federal Insurance Compensation Act (FICA), State Retirement Program, and the State Unemployment Compensation Program.
<b>431900</b>	<b>Other State Support.</b> Revenue which may not be classified above or assigned a special sub-account.
<b>432000</b>	<b>RESTRICTED STATE SUPPORT.</b> The amount of revenue from state agencies for specific programs or services.
<b>432100</b>	<b>Driver Education.</b> Revenue received for the specific purpose of providing driver education programs in public schools.
<b>432400</b>	<b>Professional Technical.</b> Revenues from the State Department of Vocational Education to provide vocational programs in public schools.
<b>437000</b>	<b>LOTTERY REVENUE/SCHOOL FACILITIES STATE MATCH.</b> Lottery dividends and school facility state match paid by the Idaho Department of Education for the specified purpose of school maintenance and repairs
<b>438000</b>	<b>REVENUE IN LIEU OF/AG EQUIPMENT TAXES.</b> Revenue from the State of Idaho in lieu of taxes it would have had to pay had its property been subject to taxation by the school district on the same basis as privately owned property. It would include Property Tax Replacement and Agriculture Equipment Replacement revenues.

<b>439000</b>	<b>OTHER STATE REVENUE.</b> Other state revenue not classified above.
<b>440000</b>	<b>REVENUE FROM FEDERAL SOURCES.</b> Revenue received from the federal government and distributed directly to school districts or indirectly to school districts through a state agency.
<b>442000</b>	<b>INDIRECT UNRESTRICTED FEDERAL GRANTS.</b> Revenues from the federal government through the state as grants that can be used for any legal purpose desired by the school district without restriction.
<b>443000</b>	<b>DIRECT RESTRICTED FEDERAL GRANTS.</b> Revenues direct from the federal government as grants to the school district that must be used for a categorical or specific purpose. If such money is not completely used by the school district, it usually is returned to the governmental unit.
<b>445000</b>	<b>RESTRICTED GRANTS – INDIRECT FEDERAL.</b> Revenues direct from the federal government through the state as grants to the school district that must be used for a categorical or specific purpose.
445100	<b>Title I – ESEA.</b> Revenue for specific programs to provide financial assistance to meet educational needs of disadvantaged children. Authorized programs provide services and meet the special needs of the academically at risk, neglected and delinquent, migrant, second language learners, and early childhood programs.
445200	<b>Title V-A ESEA – Innovative Practices.</b> Revenue received for specific programs for basic skills development, educational improvement and support, and special projects.
445300	<b>Perkins III – Vocational Technical Act.</b> Revenue for specific vocational-technical programs, distributed through the Idaho Department of Education or the Division of Professional Technical Education.
445400	<b>Adult Education.</b> Revenue for programs designated to meet the needs of adult learners.
445500	<b>Child Nutrition Reimbursement.</b> Revenue for programs designed to meet the nutritional needs of children including the National School Lunch Program, School Breakfast Program, and the Special Milk Program.
445600	<b>IDEA Part B.</b> Revenue received for the education of individuals with disabilities under the Individuals with Disabilities Act (IDEA), Part B. For example, revenue for IDEA Part B school age and preschool would use this account code.
445900	<b>Other Indirect Restricted Federal Programs.</b> Revenue not specifically identified above.
<b>448000</b>	<b>REVENUE IN LIEU OF TAXES – DIRECT FEDERAL.</b> Commitments or payments made out of general revenues by the federal government to the school district in lieu of taxes it would have had to pay had its property or other tax base been subject to taxation by the school district on the same basis as privately owned property or other tax base. Such revenue includes payments made for privately owned property which is not subject to taxation on the same basis as other privately owned property because of action by the federal government unit.

- 448200 **Impact Aid (Public Law 874).** Revenue from a federal agency to the General M & O fund to support the cost of educating students who reside on federally owned property within the school district and for students of parents who work on federally owned property.
- 450000 **OTHER SOURCES.** The amount of revenue from the sales of bonds, loan proceeds, proceeds from the disposal of school property, compensation for the loss of property, and the proceeds from capital leases.
- 451000 **Bond, Principal, and Loan Proceeds.** Used to record the face amount of the bonds that are unused or the proceeds from loans greater than 12 months.
- 453000 **Proceeds from the Disposal of Real or Personal Property or Capital Lease Proceeds.** Proceeds from the disposal of school property or compensation for the loss of real or personal property or the proceeds from capital lease.
- 460000 **FUND TRANSFERS IN.** Used to classify operating transfers from other funds of the district.

DEFINITION OF  
EXPENDITURE ACCOUNTS

## DEFINITION OF ACCOUNTS

### EXPENDITURE ACCOUNTS

#### **Expenditures**

Expenditures and expenses are decreases of net financial resources in the applicable funds. They are classified in the Chart of Accounts by fund, function, program and object.

This expenditure and expense accounting system has been so structured that all the costs within the particular subdivisions of that function can be combined to form a summary total of related costs. Costs are recorded only once so that they are mutually exclusive. The aggregation of mutually exclusive and related costs makes possible comparisons between the various functions and subdivisions of that function.

The six digit expenditure account codes actually consist of two 3 digit portions: the first 3 digits designate FUNCTION and PROGRAM and the second 3 digits designate the OBJECTS of expenditure.

The FUNCTION of a school district describes the activity or tasks for which services or material objects are acquired. Functions for school district budgeting and reporting are classified into five broad areas: Instruction, Support Services, Non-Instructional Services, Facility Acquisition, and Other Services.

The PROGRAMS of a school district describe a plan of activities and procedures designed to accomplish a predetermined objective or set of objectives. Programs are identified and listed as a sub-classification of each major Function.

#### CODE

#### FUNCTION/PROGRAM

**500**

**INSTRUCTION.** Instruction includes the activities dealing directly with the interaction between teachers and students. Teaching may be provided for students in a school classroom or in another location such as a home or hospital and in other learning situations such as those involving co-curricular activities. It may also be provided through some other approved medium such as television, radio, computer, internet, multimedia telephone, and correspondence, that is delivered inside or outside the classroom or in other teacher-student settings. Included here are the activities of aides or classroom assistants of any type (clerks, graders, teaching machines, etc.) who assist in the instructional process. (Related costs include instructional expenditures for salaries, contracted services, travel expenses, equipment rental, supplies, books, maintenance costs directly attributable to instructional equipment and other expenses such as sabbatical leave.)

- 510 **REGULAR SCHOOL PROGRAMS.** The instructional programs of kindergarten through senior high school which provide personnel, services, and other resources to meet the educational goals, objectives, and standards of the school, school district, and the general academic and vocational offering of the curriculum
- 512 **Elementary Program (K-6).** The instruction and learning experiences which are concerned with knowledge, skills, appreciation, attitudes and behaviors appropriate for students enrolled in kindergarten through sixth grades.
- 515 **Secondary Program (7-12).** The instruction and learning experiences which are concerned with knowledge, skills, appreciation, attitudes and behavior needed by students enrolled in the grade levels seven through twelve or any combinations thereof.
- 517 **Alternative School Program.** The instruction and learning experiences which are concerned with knowledge, skills, appreciation, attitudes and behavior needed by students enrolled in the grade levels seven through twelve or any combinations thereof assigned to approved alternative schools to provide enhanced learning experiences to meet the needs of students that cannot be addressed in a traditional classroom setting.
- 519 **Vocational and Technical Programs.** The instruction and learning experiences which are concerned with preparing students to meet challenging academic standards as well as industry skill standards while preparing students for broad-based careers.
- 520 **SPECIAL SCHOOL PROGRAMS.** The instructional programs of the K-12 school organization which provides personnel, services and other resources to meet the special needs of exceptional students, including gifted and talented students.
- 521 **Special Education Program.** The instructional activities and services of teachers and classroom aides who work to meet the needs of special education students. (Example: Classroom teachers, aides, supplies, and equipment for the resource rooms.)
- 522 **Special Education Preschool Program.** The instructional activities and services of teachers and classroom aides who work to meet the needs of preschool special education students. (Example: Preschool classroom teachers, aides, supplies, and equipment for providing instructional services to preschool students with disabilities.)
- 524 **Gifted and Talented Program.** The instructional activities and services of teachers and classroom aides (Ancillary Personnel) who work to meet the needs of gifted and talented students. (Example: Classroom teachers, aides, supplies, and equipment for the gifted and talented classrooms.)



- 530 **ACTIVITY SCHOOL PROGRAMS.** The extra-curricular programs of schools which provide students with learning experience through their participation in school sponsored athletics, activities, clubs, and other organizations.
- 531 **Interscholastic Competition Programs.** The extra-curricular programs and activities which normally supplement the institutional curriculum program. These programs involve student participation in competitive interscholastic events which are scheduled and sponsored by the school.
- 532 **School Activities Program.** School sponsored activities which are an adjunct to the instructional curriculum and include student financed and managed activities. (Example: class organizations, school clubs, student government, school publications, etc.)
- 540 **OTHER SCHOOL PROGRAMS.** Programs of instruction designed and offered to students and adults to meet their educational needs. Such programs would be scheduled during hours of the day which are not normally reserved for the regular school programs.
- 541 **Summer School Program.** Programs of instruction that provide classroom instruction during the summer months between the end of the regular school term and the beginning of the next regular school term. Summer school programs are not considered as part of or eligible for the state educational support program.
- 542 **Adult School Program.** Programs of instruction designed to serve the needs of students and adults which are not considered part of the regular school program or a program which is required or entitled to state educational support.
- 546 **Detention Center Program.** Programs of instruction designed to service the needs of students at a Juvenile Detention Center facility.
- 600 **SUPPORT SERVICES.** Support services provide administrative, technical (such as guidance and health), and logistical support to facilitate and enhance instruction. These services exist as adjuncts for fulfilling the objectives of instruction, community services, and enterprise programs, rather than as entities within themselves.
- 611 **Attendance, Guidance, and Health Programs.** Activities designed to assess and improve the well-being of students and to supplement the teaching process.

*Attendance and Social Work Services.* Activities designed to improve student attendance at school that attempt to prevent or solve student problems involving the home, the school, and the community. Registration activities for adult education programs are included here. Some examples of other services to be reported within this function code are supervision services, attendance services, and student accounting services.

*Guidance Services.* Activities involving counseling with students and parents; consulting with other staff members on learning problems; evaluating the abilities of students; assisting students as they make their own educational and career plans and choices; assisting students in personal and social development; providing referral assistance; and working with other staff members in planning and conducting guidance programs for students. Guidance services may include supervision services, counseling services, appraisal services, student record services, and placement services.

*Health Services.* Physical and mental health services that are not direct instruction. Included are activities that provide students with appropriate medical, dental, and nursing services.

616 **Special Education Support Services Program.** The personnel, activities, and services designed to assist special education students and staff members who work with the Special Education and Special Education Preschool Programs. Ancillary personnel included in this program: Directors, Supervisors, Consulting Teachers, Psychologists, Social Workers, and other related services personnel.

620 **SUPPORT SERVICES INSTRUCTIONAL.** Activities associated with assisting the instructional staff with the content and process of providing learning experiences for students.

621 **Instructional Improvement Program.** *Improvement of Instruction.* Activities primarily for assisting instructional staff in planning, developing, and evaluating the process of providing learning experiences for students. These activities include curriculum development, techniques of instruction, child development and understanding, and staff training.

*Instruction and Curriculum Development.* Activities that aid teachers in developing the curriculum, preparing and using special curriculum materials, and understanding and appreciating the various techniques that stimulate and motivate students.

*Instructional Staff Training.* Activities associated with the professional development and training of instructional personnel. These include such activities as in-service training (including mentor teachers), workshops, conferences, demonstrations, and courses for college credit (tuition reimbursement), and other activities related to the ongoing growth and development of instructional personnel. Training that supports the use of technology for instruction should be included in this code. The incremental costs associated with providing substitute teachers in the classroom (while regular teachers attend training) should be captured in this function code. All costs should be charged to this code regardless of whether training services are provided internally or purchased from external vendors.

- 622 **Educational Media Program** Activities concerned with directing, managing, and supervising educational media services (e.g. supervisory personnel) as well as such activities as selecting, acquiring, preparing, cataloging, and circulating books and other printed materials; planning for the use of the library by students, teachers, and other members of the instructional staff; and guiding individuals in their use of library books, reference guides and materials, catalog materials, special collections, and other materials, whether maintained separately or as part of an instructional materials center. These activities include developing and acquiring library materials and operating library facilities. Textbooks are not charged to this function but rather to the instruction function.
- 623 **Instructional Related Technology.** This functional category encompasses all technology activities and services for the purpose of supporting instruction. These activities include expenditures for internal technology support as well as support provided by external vendors utilizing operating funds. These activities include costs associated with the administration and supervision of technology personnel, systems planning and analysis, systems application development, systems operations, network support services, hardware maintenance and support services, and other technology-related costs that relate to the support of instructional activities. Specifically, costs associated with the operation and support of computer learning labs, media center computer labs, instructional technology centers, instructional networks and similar operations should be captured in this code.

*Student Learning Centers.* Activities concerned with supporting and maintaining labs and centers (outside the classroom) that are established to support the instructional environment. These labs and centers may be located in the library or in other locations but are not primarily dedicated to student-teacher learning. Labs or learning centers that are primarily dedicated to instruction should be coded in instruction.

*Technology Service Supervision and Administration.* Activities concerned with directing, managing, and supervising data processing services.

*Systems Analysis and Planning.* Activities concerned with searching for and evaluating alternatives for achieving defined objectives, based on judgment and, wherever possible, on quantitative methods. Where applicable, these activities pertain to the development of data processing procedures or application to electronic data processing equipment.

*Systems Application Development.* Activities concerned with the preparation of a logical sequence of operations to be performed, either manually or electronically, in solving problems or processing data. These activities also involve preparing coded instructions and data for such sequences.

*Systems Operations.* Activities concerned with scheduling, maintaining, and producing data. These activities include operating business machines, data preparation devices, and data processing machines.

*Network Support.* Services that support the networks used for instruction-related activities.

*Hardware Maintenance and Support*

*Professional Development for Instruction-Focused Technology Personnel.* Costs that are incurred as a result of acquiring knowledge and skills to support instructional technologies.

Technology training for instructional staff should be reported in 621—Instructional Improvement Programs.

**630 GENERAL ADMINISTRATIVE SERVICES.** Activities concerned with establishing and administering policy for operating the school district.

**631 Board of Education.** Activities of the elected body that has been created according to state law and vested with responsibilities for educational activities in a given administrative unit. Some examples of services to be included here are board secretary and clerk service.

*Supervision of Board of Education Services.* Activities concerned with directing and managing the general operation of the Board of Education. These include the activities of the members of the Board of Education, but do not include any special activities defined in the other areas of responsibility described below. They also include any activities of the district performed in support of the school district meeting. Legal activities to interpret the laws and statutes and general liability situations are charged here, as are the activities of external auditors.

*Board Secretary/Clerk Services.* The activities required to perform the duties of the Secretary or Clerk of the Board of Education.

*Board Treasurer Services.* The activities required to perform the duties of the Treasurer of the Board of Education.

*Election Services.* Services rendered in connection with any schools system election, including elections of officers and bond elections.

*Tax Assessment and Collection Services.* Services rendered in connection with tax assessment and collection.

*Staff Relations and Negotiations.* Activities concerned with staff relations systemwide and the responsibilities for contractual negotiations with both instructional and non-instructional personnel.

*Other Board of Education Services.* Board of Education services that cannot be classified under the preceding areas of responsibility.

*Legal Services.*

632 **District Administration.** Activities associated with the overall general administration of or executive responsibility for the entire school district.

640 **SCHOOL ADMINISTRATION PROGRAM.** Activities concerned with the overall administration's responsibility for a school.

641 **School Administration Program.** Activities concerned with directing and managing the operation of a particular school. They include the activities performed by the principal, assistant principals, and other assistants while they supervise all operations of the school, evaluate the staff members of the school, assign duties to staff members, supervise and maintain the records of the school, and coordinate school instructional activities with those of the school district. These activities also include the work of clerical staff in support of the teaching and administrative duties and full-time department chairpersons.

650 **BUSINESS ADMINISTRATION SERVICES.** Activities that support other administrative and instructional functions including fiscal services, human resources, planning, and administrative information technology.

651 **Business Operations Program.** Activities concerned with the fiscal operations of the school district. This function includes budgeting, receiving and disbursing, financial and property accounting, payroll, inventory control, internal auditing, and funds managing. Fiscal services are inclusive of supervision of fiscal services, budgeting services, and payroll, internal audit, and general accounting functions.

655 **Central Services Program.** Activities concerned with purchasing, receiving, storing, and distributing supplies, furniture, equipment and materials used in schools or school system operations.

656 **Administrative Technology Services.** Activities concerned with supporting the school district's information technology systems, including supporting administrative networks, maintaining administrative information systems, and processing data for administrative and managerial purposes. These activities may include expenditures for internal technology support, as well as support provided by external vendors utilizing operating funds. These activities include costs associated with administration and supervision of technology personnel, systems planning and analysis, systems application development, systems operations, network support services, hardware maintenance and support services, and other technology-related administrative costs.

*Technology Service Supervision and Administration.* Activities concerned with directing, managing, and supervising data processing services.

*Systems Analysis and Planning.* Activities concerned with searching for and evaluating alternatives for achieving defined objectives, based on judgment and, wherever possible, on quantitative methods. Where applicable, these activities pertain to the development of data processing procedures or application to electronic data processing equipment.

*Systems Application Development.* Activities concerned with the preparation of a logical sequence of operations to be performed, either manually or electronically, in solving problems or processing data. These activities also involve preparing coded instructions and data for such sequences.

*Systems Operations.* Activities concerned with scheduling, maintaining, and producing data. These activities include operating business machines, data preparation devices, and data processing machines.

*Network Support*

*Hardware Maintenance and Support*

*Professional Development Costs for Administrative Technology Personnel*

*Other Technology Services.* Activities concerned with data processing not described above.

- 660 **OPERATION AND MAINTENANCE SERVICES.** Activities concerned with keeping the physical plant open, comfortable, and safe for use and with keeping the grounds, buildings, and equipment in effective working condition and state of repair. These include the activities of maintaining safety in buildings, on the grounds, and in the vicinity of schools.
- 661 **Buildings – Care Program (Custodial).** The programs concerned with the daily custodial needs and the utility services for all school buildings in the district. Objects of expenditure would include salaries, benefits, utilities, supplies, building insurance, and other building care costs as well as building rental and property insurance costs.
- 663 **Maintenance - Buildings and Equipment (Non-Student-Occupied Buildings).** Activities associated with the physical maintenance of buildings and equipment in the school district for non-student occupied buildings, i.e. the annual repairs, modifications, and improvements necessary to provide safe facilities and equipment. Also included are expenditures to student occupied buildings that are not allowed in 664-Maintenance - Buildings and Equipment (Student-Occupied Buildings ONLY).

- 664 **Maintenance - Buildings and Equipment (Student-Occupied Buildings ONLY).** Activities associated with the physical maintenance of buildings and equipment in student-occupied buildings, i.e. the annual repairs, modifications, and improvements necessary to provide safe facilities and equipment for the school programs that are in compliance with Idaho Code 33-1019.
- 665 **Maintenance - Grounds.** Activities involved in maintaining and improving the land (but not the buildings). These include snow removal, landscaping, grounds and roadway maintenance, and other general grounds work.
- 667 **Security/Safety.** Activities concerned with maintaining an environment for students and staff, whether they are in transit to or from school, on a campus or an administrative facility, or participating in school-sponsored events. These include costs associated with security plan development and implementation, installation of security monitoring devices (e.g., cameras, metal detectors), security personnel (e.g., campus police, security guards), purchase of security vehicles and communication equipment, installation and monitoring of school fire alarm systems, providing school crossing guards, and related costs incurred in effort to ensure the basic safety and security of students and staff. Costs associated with in-service training related to school safety, drug and violence prevention training, and alternative schools should not be accounted for under this function code.
- 680 **TRANSPORTATION SERVICES.** Activities concerned with conveying students to and from school, as provided by state and federal law. This includes trips between home and school and trips to school activities.
- 681 **Pupil-To-School Transportation.** Activities involved in operating school buses for student transportation to and from school, between schools within the district, and for approved instructional field trips from the time the vehicle leaves the point of storage until they return to the point of storage. (Allowable costs for reimbursement under the School Support Program are defined in the Transportation Manual.)
- 682 **Pupil-Activity Transportation.** Activities involved in operating school buses for student transportation to approved school athletic or activity events. (Such programs are not eligible for state transportation assistance.)
- 683 **General Transportation Program.** Activities involved in maintaining school vehicles. These include repairing or replacing vehicle parts, cleaning, painting, fueling, and inspecting vehicles for safety. (Maintenance of school buses should be coded to 681 Pupil-To-School Transportation.)
- 690 **OTHER SERVICES.** All other support services not classified elsewhere.
- 691 **Other Support Services Program.** All other support services not classified elsewhere.

- 700 NON-INSTRUCTIONAL SERVICES.** Activities concerned with providing non-instructional services to students, staff, or the community.
- 710 Food Services Program.** Activities concerned with providing food to students and staff in a school or school district. This service area includes preparing and serving regular and incidental meals, lunches, or snacks in connection with school activities and food delivery. This is regulated and supported by the National School Lunch Program.
- 720 Community Services Program.** Activities concerned with providing community service to students, staff, or other community participants. Examples of this function would be offering parental training or operating a community swimming pool, a recreation program for the elderly, etc.
- 730 Enterprise Operations.** Activities that are financed and operated in a manner similar to private business enterprises where the stated intent is to finance or recover the costs primarily through user charges. Food Services should not be charged here but rather to function 710. Private catering by food services would be charged here. One example would be the school district bookstore.
- 790 Refund of Prior Year Revenues/Receipts.** Record to this account the recognition of all refunds of prior year revenues and receipts. This account replaces the 5100 account previously used for refunds and deductions taken from your basic education subsidy to adjust for prior year audits and subsidy calculation changes. This account should be reported as an expenditure on your financial statements consistent with GASB #33.
- 800 FACILITY ACQUISITION AND CONSTRUCTION** Activities concerned with acquiring land and buildings; remodeling buildings; constructing buildings and additions to buildings; initially installing or extending services systems and other built in equipment; and improving sites.
- 810 Capital Assets – Student-Occupied.** The process of coming into ownership, control, or possession of assets intended for continued use over relatively long periods of time that qualify as repairs or maintenance to student-occupied buildings pursuant to Idaho Code 33-1019(3). An example would include replacement of a HVAC in a student-occupied building or replacing a roof.
- 811 Capital Assets – Non-Qualifying Capital Assets (Per Idaho Code 33-1019(3)).** The process of coming into ownership, control, or possession of assets intended for continued use over relatively long periods of time. The capital assets may be for both student-occupied and non-student-occupied buildings. Examples would include constructing or acquiring school plant and equipment, including building, remodeling, building additions, the initial equipment of the building or additions, and the



initial acquisition of library books and research periodicals for a new school building.

- 900 OTHER SERVICES.** This function provides for other transactions and activities necessary for budgeting or accounting control.
- 910 **DEBT SERVICE PROGRAM.** Activities related to servicing the long-term debt of the school district, including payments of both principal and interest. This function should be used to account for bond interest payments, retirement of bonded debt (including current and advance refundings), capital lease payments, and other long-term notes.
- 911 **Debt Services Program – Principal.** The servicing of debt through the payment of principal.
- 912 **Debt Services Program – Interest.** The servicing of debt through the payment of interest.
- 913 **Debt Services Program – Refunded Debt.**
- 920 **Fund Transfers.** The transactions that withdraw money from one fund and place it in another fund without recourse. Interfund loans and interfund receivables are not included here, but are handled through the Balance Sheet Accounts. Always use object code 800 in conjunction with this function code.
- 950 **Contingency Reserve (33-801a).** This program establishes a reserve within the General M & O Fund budget. Function code 950 will always be used in conjunction with the object code 850 and is to be used for budgeting purposes only.

## DEFINITION OF ACCOUNTS

The six digit expenditure account codes actually consist of two 3 digit portions: the first 3 digits designate FUNCTION (one digit) and PROGRAM (two digits); the second 3 digits designate the OBJECT of expenditure.

An OBJECT is used to describe the service or commodity obtained as a result of a specific expenditure. Eight major categories shall be used by the school districts in budget development and financial reporting to the state. The local school district may sub-divide the major categories to obtain more specific detail for their internal use. All subdivisions to the major OBJECT should relate to the major OBJECT, i.e. textbooks to SUPPLIES, equipment to CAPITAL OBJECTS.

<u>CODE</u>	<u>OBJECT</u>
<b>100</b>	<b>PERSONAL SERVICES-SALARIES.</b> The gross amount (before deductions) paid to both permanent and temporary school district employees including personnel substitutes for those in permanent positions. This includes gross salary for personal services rendered whole on the payroll of the school district.
<b>110</b>	<b>Regular (Certified)-Employee Salaries.</b> Full-time, part-time, and prorated portions of the costs for work performed by permanent employees of the school district who are required to be certified by the Idaho Department of Education .
<b>115</b>	<b>Regular (Non-Certified) Employee Salaries.</b> Full-time, part-time, and prorated portions of the costs for work performed by permanent employees of the school district who are <u>not</u> required to be certified by the Idaho Department of Education .
<b>160</b>	<b>TEMPORARY (CERTIFIED) EMPLOYEE SALARIES.</b> Full-time, part-time, and prorated portions of the costs for work performed by employees of the school district who are hired on a temporary or substitute basis and are required to be certified by the Idaho Department of Education.
<b>170</b>	<b>LEAVE PAYMENT.</b> Gross salaries (before deductions) paid to employees for a time when they are not directly serving the district, but during which they are on district payroll.
<b>200</b>	<b>PERSONAL SERVICES- EMPLOYEE BENEFITS.</b> Amounts paid by the school district on behalf of employees (amounts not included in gross salary but in addition to that amount). Such payments are fringe benefit payments and, while not paid directly to employees, nevertheless are part of the cost of personal service and are required to be paid by law, contract or agreement.

- 210      **Retirement Contributions.** Employer’s share of the state retirement system paid by the school district, including the amount paid for employees assigned to federal programs.
- 220      **Social Security Contributions.** Employer’s share of social security paid by the school district.
- 230      **Life Insurance Benefits.** Amounts paid by school districts for any life insurance plans made available to employees.
- 240      **Health Benefits.** Amounts paid by the school district to provide health benefits for its current employees or employees now retired for whom benefits are paid. These charges should be distributed to the appropriate functions in accordance with the related salary expenditures.
- 245      **Self-Insurance Health Benefits.** Amounts paid by the school district to provide health benefits for its current or retired employees for whom benefits are paid. “Self-Insurance” payments for health coverage should be recorded here.
- 250      **Unemployment Insurance Benefits.** Amounts paid by the Idaho Department of Education on behalf of the school districts to the state’s unemployment fund for employees.
- 260      **Physical Examination Benefits.** The amount the employer (school district) contributes for the costs of physical examinations for employees.
- 270      **Worker’s Compensation.** Amounts paid by the school district to provide workers’ compensation insurance for its employees. These charges should be distributed to the appropriate functions in accordance with the related salary expenditures.
- 280      **Sick Leave Retirement Payment Benefits.** Amount paid by the school district to the state retirement program to provide for accumulated sick leave benefits of a retiring employee.
- 290      **Other Employee Benefits.** Employee benefits other than those classified above, including fringe benefits such as automobile allowances, housing or related supplements, moving expenses, and paid parking. These charges should be distributed to the appropriate functions in accordance with the related salary expenditures.
- 300      **PURCHASED SERVICES.** Services that by their nature can be performed only by persons or firms with specialized skills and knowledge. Although a product may or may not result from the transaction, the primary reason for the purchase is the service provided. Included are the services of architects, engineers, auditors, dentists,

medical doctors, lawyers, consultants, teachers, and accountants. It is recommended that a separate account be established for each type of service provided to the school district. (Property services are purchased to operate, repair, maintain, and rent facilities owned or used by the school district.)

- 310 PROFESSIONAL & TECHNICAL SERVICES.** Services rendered by individuals or organizations with specialized skills and knowledge. Examples include services of architects, auditors, consultants, lawyers, speakers, etc.
- 311 Official/Administrative Services.** Services in support of the various policy making and managerial activities of the school district. Included are management consulting activities oriented to general governance or business and financial management of the school district; school management support activities; and election service and tax assessing and collecting services.
- 312 Professional Educational Services.** Services supporting the instructional program and its administration. Included are curriculum improvement services, assessment, counseling and guidance services, library and media support, and contracted instructional services.
- 313 Professional Employee Training and Development Services.** Services supporting the professional development of school district personnel, including instructional and administrative employees. Included are course registration fees (that are not tuition reimbursement), charges from external vendors to conduct training courses (at either school district facilities or off-site), and other expenditures associated with training or professional development by third-party vendors. All expenditures should be captured in this account regardless of the type or intent of the training course or professional development activity.
- 314 Technical Services.** Services to the school district that are not regarded as professional, but that require basic scientific knowledge, manual skills, or both. Included are data processing services, purchasing and warehousing services, graphic arts, and the like.
- 315 Other Professional Services.** Professional services other than educational that support the operation of the school district. Included are medical doctors, lawyers, architects, auditors, accountants, therapists, audiologists, dieticians, editors, negotiations specialists, systems analysts, planners, and the like.
- 320 PROPERTY SERVICES.** Services purchased to operate, repair, maintain, and rent property owned or used by the district. These services are performed by persons other than school district employees.

Although a product may or may not result from the transaction, the primary reason for the purchase is the service provided.

- 321      **Rental of Land and Buildings.** Expenditures for leasing or renting land and buildings for both temporary and long-range use by the school district. This includes lease purchase arrangements and similar rental agreements.
- 322      **Rental of Equipment.** Expenditures for leasing or renting equipment for both temporary and long-range use by the school district. This includes lease-purchase arrangements and similar rental agreements. This code excludes costs associated with the rental of computers or other technology-related equipment. These costs should be coded to expenditure object 324.
- 323      **Transportation – Equipment – Rental.** Expenditures made for the rental of vehicles used for special transportation needs or for administrative use. Examples include driver’s training cars, car rentals, etc.
- 324      **Rentals of Computers and Related Equipment.** Expenditures for leasing or renting computers and related equipment for both temporary and long-range use.
- 330      **UTILITIES.** Expenditures for utility services including water, sewage, electricity, heating fuels, trash, etc. Communication services should be coded to expenditure object 350.
- 335      **Insurance (Other Than Employee Benefits).** Expenditures for all types of insurance coverage, including property, liability, and fidelity. Insurance for group health is not charged here but is recorded under expenditure object 200.
- 340      **TRANSPORTATION – CONTRACTED.** Expenditures for transporting children to and from school and school-related activities. This includes payments to persons or agencies other than school districts for transporting children to and from school and school related events.
- 350      **COMMUNICATION.** Services provided by persons or businesses to assist in transmitting and receiving messages or information. This category includes telephone and voice communication services, telephone, and voicemail; data communication services to establish or maintain computer-based communications, networking, and Internet services; video communications services to establish or maintain one-way or two-way video communications via satellite, cable, or other devices; postal communications services to establish or maintain postage machine rentals, postage, express delivery services, or couriers.

- 355      **Advertising.** Expenditures for announcements in professional publications, newspapers, or broadcasts over radio and television. These expenditures include advertising for such purposes as personnel recruitment, legal ads, new and used equipment, and sale of property. Costs for professional advertising or public relations services should be coded to expenditure object 315.
- 360      **DATA PROCESSING.** Expenditures for data processing services which may include analysis, programming, computer time sharing, printouts, and processed reports.
- 365      **Printing and Binding.** Expenditures for job printing and binding, usually according to specifications of the school district. This includes designing and printing forms and posters, as well as printing and binding school district publications. Preprinted standard forms are not charged here but are recorded under expenditure object 410.
- 370      **TUITION.** Expenditures to reimburse other educational agencies for instructional services to students residing within the legal boundaries described for the paying school district.
- 380      **TRAVEL.** Expenditures for transportation, meals, hotel and other expenditures associated with staff travel for the school district. Payments for per diem in lieu of reimbursements for subsistence (room and board) are also charged here.
- 390      **OTHER PURCHASED SERVICES.** Amounts paid for services rendered by organizations or personnel not on the payroll of the school district (separate from Professional and Technical Services or Property Services). While a product may or may not result from the transaction, the primary reason for the purchase is the service provided.
- 400      **SUPPLIES AND MATERIALS (NON-CAPITAL OBJECTS).** Amounts paid for items of an expendable nature that are consumed, worn out, or deteriorated through use; or items that lose their identity through fabrication or incorporation into different or more complex units or substances. Equipment that has a cost lower than the school district's capitalization threshold should be coded in this series rather than the 500 series code.
- 410      **SUPPLIES** Expenditures for all supplies (other than those listed below) for the operation of the school district, including freight and cartage. Consumable teaching and office items such as paper, pencils, forms, postage, blank diskettes, blank CD-ROMs, blank videotapes, and other supplies of relatively low unit costs, necessary for instruction and/or administration should be included in this category.

### **Criteria for Distinguishing Equipment from Supply Items**

An item is distinguished as equipment if it meets all of the following conditions:

- 1) Item is expected to last more than one year
- 2) You would repair rather than replace
- 3) It is an independent unit rather than being incorporated into another unit item
- 4) The cost of tagging and inventory is a small percent of the item's cost
- 5) Cost exceeds your capital outlay threshold minimum dollar value

All other items would likely be declared a supply.

- 420 SUPPLIES – TRANSPORTATION.** The amount expended for supplies such as gasoline, diesel fuel, oil, grease, repair parts, tires, and other consumable items used in the transportation programs. (Used with Programs 681, 682, and 683.)
- 430 MEDIA – LIBRARY MATERIAL.** Expenditures for books, reference material, periodicals, magazines, and other supplies used in the Library-Media Program 622. This category includes the cost of materials to provide instruction or provide in-service through using films, tapes, cassettes, displays, and the binding and repair of Library-Media books. GASB Statement #34 requires school library books to be capitalized if their useful life exceeds one (1) year, and their cost exceeds your school's capitalization policy.
- 440 TEXTBOOKS.** Expenditures for textbooks prescribed and available for general use, including reference books. This category includes the cost of workbooks, textbook binding or repairs, as well as textbooks which are purchased to be resold or rented.
- 450 FOOD.** Expenditures for food used in the school food service program. Food used in instructional programs should be charged to expenditure object 410. (Used only with function 710).
- 460 TECHNOLOGY ADMINISTRATIVE SOFTWARE, LICENSING FEES AND SUPPLIES.** This category includes the purchase of licensing of software to support the operating system, as well as, application software, whether over the internet, on CD-ROM or diskette. Software expenditures include the purchase price as well as licensing fees, annual upgrades/maintenance fees for proprietary software and related software support costs required to run operating systems, language processors, database management, communication handlers, and other specialized software. Do not include the cost of "instructional" software here. Instructional software and related licensing fees should be recorded to expenditure object 470 or 556.

Note: Do not record software/licensing fees incurred for purchases with useful lives that extend beyond a single reporting period. Such purchases should be recorded to the appropriate 500 object code.

- 470 EDUCATIONAL SOFTWARE AND RELATED LICENSING FEES.** Record the expenditures associated with educational software; such as books and periodicals on videotapes, CD-ROMS, audio CD's, videodisks and diskettes. Include all on-line course work, reference materials and educational services, such as Scholastic or Classroom Connect, to this object code. Also, record all software licensing fees and related costs incurred to acquire these materials in this category.
- 490 OTHER SUPPLIES & MATERIALS.** Expenditures for supplies that cannot be classified above.
- 500 CAPITAL OBJECTS.** Expenditures for acquiring capital assets, including land, existing buildings, and meeting the school district's capitalization criteria that will be recorded as fixed assets or additions to fixed assets.
- 510 LAND.** Expenditures for the purchase of land acquired by the school district which upon purchase may or may not include improvements for such items as roads, curbs, sewers, etc. Purchases of air rights, mineral rights, and the like are included here. Also included are special assessments against the school district for capital improvements such as streets, curbs, and drains. (Use only with Program 811.)
- 520 LAND IMPROVEMENTS.** Expenditures for improvements to the physical site after its purchase. Such items could include surfacing, curbs, sewers, landscaping, etc. (Use only in Program 663, Program 665, or Program 811.)
- 530 BUILDINGS.** Expenditures for acquiring existing buildings or for the additions to structures. Included are expenditures for installment or lease payments (except interest) that have a terminal date and result in the acquisition of buildings, except payments to public school housing authorities or similar agencies. The amount expended for structures or additions to structures for housing pupils, personnel, property or equipment whether purchased as existing buildings or constructed specifically for the district. (Use only in Program 663 or Program 811.)
- 540 BUILDING COMPONENTS.** Expenditures for modifications or improvements to existing structures, such as improvements to heating and ventilating systems, new floors, student lockers, ceiling modifications, and storage. These building components do not require increased floor space. (Use only in Program 663, Program 664, Program 811.)



- 550 EQUIPMENT.** Expenditures for the initial, additional, and replacement items of equipment, such as machinery, furniture and fixtures, and vehicles which are not used in the transportation of pupils to and from school.
- 555 Technology Related Hardware.** Expenditures for technology-related equipment and technology infrastructure. These costs include those associated with the purchase of network equipment, servers, PCs, printers, other peripherals, and devices. Equipment that has a cost lower than the school district's capitalization threshold should be coded to expenditure object 460.
- 556 Technology Software.** Expenditures for purchased software used for educational or administrative purposes that exceed the capitalization threshold. Software costs that are below the school district's capitalization threshold should be coded to expenditure object 460 or 470.
- 557 Technology "Infrastructure".** Expenditures for the purchase of technology infrastructure. The technology infrastructure is the relatively permanent system of cables and equipment within a building whose components are generally built into the walls, ceilings or closets. It should represent anything that is used to "move data around." The network infrastructure supports the transfer, exchange and manipulation of data and information. Some examples include: servers, routers, bridges, network switches, telephone switches, network modems, cable modems, connectors, wall mounts wall jacks/plates and other items such as teleconference infrastructure (bridges). Technology infrastructure expenditures do not meet the definition of infrastructure as defined by GASB Statement #34, and therefore, should be treated the same as all other fixed/capital assets for financial reporting purposes.
- 560 VEHICLES – TRANSPORTATION.** Expenditures for vehicles used to transport persons or objects. Examples are automobiles, buses, trucks, and vans.
- 580 DEPRECIATION.** The portion of the cost of a capital asset that is charged as an expense during a particular period. In accounting for depreciation, the cost of a capital asset, less any salvage value, is apportioned over the estimated service life of such an asset, and each period is charged with a portion of such cost. Through this process, the cost of the asset is ultimately charged off as an expense.
- 590 OTHER CAPITAL OBJECTS.** Expenditures for all other equipment not classified elsewhere in the 500 object series.
- 600 DEBT RETIREMENT.** The redemption of outstanding bonds and the payment of interest accumulating on such bond obligations of the school

district, and other long-term obligations of the school district.

- 610 REDEMPTION OF PRINCIPAL.** Expenditures to retire bonds (including current and advance refundings) and long-term loans. (Used only with functions 911 and 912.)
- 620 INTEREST.** Expenditures for interest on bonds or notes. (Used only with functions 911 and 912.)
- 700 INSURANCE AND JUDGEMENTS.** Amounts expended for all types of insurance coverage such as property, liability, and fidelity. Expenditures for any judgments against the district that are not covered by liability insurance shall also be included here.
- 710 PROPERTY INSURANCE AND LIABILITY.** The amount expended to insure school district property against losses from destruction or theft. The amount expended to insure the school district against losses resulting from the actions of school officials or employees. Coverage against losses resulting from circumstances which may be related to elected school officials or school employees.
- 720 FIDELITY BONDING.** The amount expended for bonds guaranteeing the school district against losses arising from dishonest acts of employees and involving specified money, merchandise, or other property.
- 730 JUDGMENTS.** Expenditures from current funds for all judgments (except as indicated below) against the school district that are not covered by liability insurance, but are of a type that might have been covered by insurance. Only amounts paid as the result of court decisions are recorded here. Judgments against the school district resulting from failure to pay bills or debt service are recorded under the appropriate expenditure accounts as though the bills or debt service had been paid when due.
- 800 TRANSFERS OF FUNDS, CONTINGENCIES, AND OTHER ITEMS.** This object shall provide for the transfers of assets from one fund to another fund. This object does not represent an expenditure.
- 810 TRANSFERS TO OTHER FUNDS.** Include all transactions conveying financial resources from one fund to another within the district.
- 850 CONTINGENCY RESERVE.** This object is to be used only in conjunction with Program 950. The code 950850 may be used to account for a budgeting contingency reserve. School Board action is required to decrease the budgeted contingency and increase a program/object account.

**860 INVESTMENTS.**

**861 Losses From Investments.** Losses recognized from the sale of investments or from changes in the value of investments. Losses represent the excess of the cost or any other basis at the date of sale (or valuation) over sales value (or fair value).

For financial reporting purposes, the net of all realized and unrealized investment gains and losses should be reported as a single line in the financial statements; however, this account and the previous account may be used for internal tracking purposes.

**862 Realized Losses on Investments.** Losses recognized from the sale of investments. Losses represent the excess of the cost or any other basis at the date of sale over sales value. For financial reporting purposes, the net of all realized and unrealized investment gains and losses should be reported as a single line in the financial statements; however, this account and the following account may be use for internal tracking purposes.

**863 Unrealized Losses on Investments.** Losses recognized from changes in value of investments. Losses represent the excess of the cost or any other basis at the date of valuation over fair value. For financial reporting purposes, the net of all realized and unrealized investment gains and losses should be reported as a single line in the financial statements; however, this account and the previous account may be used for internal tracking purposes.

**880 SPECIAL ITEMS.** Used to classify special items in accordance with GASB Statement 34. Included are transactions or events within the control of the school district administration that are either unusual in nature or infrequent in occurrence. For some districts, this may include termination benefits resulting from workforce reductions or costs in connection with an early retirement program offered to all employees represented in one or more classes of employees. Special items also include events that are not within the control of the district. In the governmental funds, these items should be separately captioned or disclosed.

**890 EXTRAORDINARY ITEMS** Used to classify items in accordance with APB Opinion No. 30 that are transactions or events that are both unusual in nature and infrequent in occurrence. For some districts, this includes significant costs related to a natural disaster caused by fire, flood, tornado, hurricane, or hail storm or costs related to an environmental disaster.

## **APPENDIX**

Reconciling Fund Statements to Government-wide Statements. The following is a partial list of items that may have to be used to reconcile.

- a. Receipt of long-term debt proceeds.
- b. Capital outlays.
- c. Principle payments on long-term debt.
- d. Issuance costs related to long-term debt.
- e. Premiums and discounts related to long-term debt.
- f. Interest on debt.
- g. Inventories (consumption method).
- h. Prepaid items (consumption method).
- i. Unavailable revenues.
- j. Noncurrent portion of certain accrued liabilities.
- k. Capital leases.
- l. Allowance for doubtful accounts
- m. Deferrals and amortizations related to debt-refunding transactions in governmental activities.

The easiest way would be to prepare a worksheet. Districts having internal service funds and other business type activities will have additional reconciling items. Also, transactions and accruals between governmental funds will usually need to be eliminated.

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